

NEWS SUMMARY
GENERAL
Action stepped in hospitals
BUSINESS
Equities up 8.2; Gilts recover

Increase in industrial by hospital ancillary and ambulance men was by the National Union of Public Employees yesterday. Health Department contended that the action, in a better pay offer, was a success. The North West, Yorkshire and Lancashire, and the South West, West Midlands, and the North.

Deaths plea religious leader
The suspension of all trials following Prime Minister's criticism of a cent wave of summary, which claimed 64.

Corde escape
The Concorde, with 65 aboard, was 100 ft above the ground when it crashed.

Mad probe
Africa will name a special commission to investigate the Government's role in the misadventure by the information.

Warning
Sadat wants a swift of the peace treaty with it has warned it would be the beginning of a long.

Man jailed
Hasan, described as an hit man, was jailed for the Old Bailey after he shot and killed Iraqi Prime Minister Razzak al-Najaf, outside the Intercontinental Hotel.

Talks for talks
Has confirmed that all its had now withdrawn from it and it was ready to for normal relations.

Wier threat
Owners are in danger of losing their fish capacity in the future.

Foreign control of three U.S. banks approved by Fed

BY STEWART FLEMING IN NEW YORK

THE FEDERAL Reserve Board has cleared the way for three of the world's leading international banks to expand dramatically their U.S. operations by acquiring control of U.S. banks.

It has approved:
● A proposal under which the Hong Kong and Shanghai Banking Corporation will acquire 51 per cent of the equity of the 13th largest U.S. bank, Marine Midland Bank of New York, for around \$262m. Marine Midland has assets of \$14.3bn.
● Standard Chartered Group of London's acquisition for \$372m of Union Bank Corporation of Los Angeles, which has assets of \$5.3bn.
● National Westminster Bank's proposal to acquire 75 per cent of the equity of the National Bank of North America from CIT Financial for \$300m. The National Bank of North America controls assets of \$4.4bn.
In the year since the first of the three acquisitions was proposed, international bankers have watched anxiously for the Fed's decision, which will be taken as a guide to the attitude of the U.S. authorities to such foreign take-overs.
In recent weeks as the deadline for approval has been approaching, there has been mounting controversy over what decision the Fed should take. Miss Muriel Siebert, the New York State Banking Superintendent, has expressed reservations about such take-overs. It is clear that her concerns are shared by some U.S. bankers. Even now, Miss Siebert could try to obstruct the deal involving Hong Kong and Shanghai and Marine Midland. Her specific approval is needed for the Hong Kong Bank to exercise control.
She has not made any policy statement, but it is thought unlikely that she will challenge the Fed's decision.
The Fed's statement is in line with a policy directive issued last month in which it said that it would not discriminate against foreign banks wanting to purchase U.S. banks. Its policy was to treat foreign bank applications in the same way as it would approach deals between U.S. banks.
Mr. G. William Miller, Fed chairman, pointed out earlier this week, however, that hostile takeovers by foreign banks would not readily receive Fed approval.
The Fed's decision delighted senior executives of the banks involved, and suggests that the atmosphere in the U.S. towards foreign bank acquisitions is favourable.
However, the Congress and the general accounting office have been their own review of U.S. policy as a result of Miss Siebert's expression of concern. Should there now be a rash of new take-over proposals by foreign banks, the mood in Congress and in the country could change swiftly.
The Fed's decision has far reaching implications for world banking. The Hong Kong and Shanghai deal with Marine Midland, for example, would create a commercial bank with worldwide assets of well over \$30bn, and with a unique spread of international business.
The three transactions will dramatically increase the foreign banking presence in the U.S. In 1972, foreign banks controlled assets in the U.S. of under \$20bn. By the end of last year, the figure had risen to over \$90bn.
Since the three deals were proposed between March and June of last year, each of the U.S. banks has reported substantial increases in profits, although in each case there is a large recovery element in the figures.
This is particularly true for Marine Midland, which is seen to be badly in need of the new capital to be injected by the Hong Kong and Shanghai Bank. Last year, Marine Midland's earnings rose by 40.7 per cent to \$24.5m after tax. National Bank of North America's net income rose 64 per cent to \$18.5m, and Union Bank Corporation reported a 36 per cent gain to \$24.9m.

Bank to try new method of selling gilts stocks

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE BANK OF ENGLAND is to try out a new method of selling gilt-edged stock. It announced yesterday an offer for sale of £200m of stock by tender next Thursday.
This is intended to avoid the heavy over-subscription and the resulting big profits of the last conventional issues three weeks ago.
The Bank has also met some of the criticisms about the handling of the issues on February 22 when brokers and their messengers pushed and shovelled—often unsuccessfully—to put in applications. The Bank was criticised on this point by the Council for the Securities Industry on Thursday.
The innovation does not, however, represent a wholly different monetary instrument or a change in the way the gilt-edged market is managed, as some leading brokers have urged. It is not a change to a regular system of tenders where a specified amount of stock is sold regularly.
The offer will only be a partial tender with a minimum acceptable price. Moreover, traditional methods of sale at a fixed price are not being abandoned permanently.
The Bank clearly wants to avoid at all costs the embarrassment of an over-subscription and so prevent any risk of a repetition of the events of three weeks ago when, at one stage, the long-dated issue showed a profit of over 90 per cent in its £15 partly paid form.
This was because the issue price was left behind by the rise in the market between the time of announcement and of sale.
The new issue created some confusion in the gilt-edged market yesterday though after the announcement price remained fairly firm, maintaining gains of 11 at the longer-end of the stock—£800m of Exchequer 12 1/2 per cent 1999—was issued roughly in line with prevailing market prices. There is a minimum price of £97.50 per £100 nominal of stock, for a gross redemption yield of 12.60 per cent.
Bidders will have to put up £40 per £100 nominal next Thursday with the balance on May 2 (to finance 1979-80 public sector borrowing needs).
If the issue is over-subscribed, stock will be allotted at the lowest price at which all the loan can be sold. Thus, those bidding more than this price will not have to pay more.
If the stock is not fully subscribed all will be allotted at the minimum tender price. The balance will be taken up by the Bank and sold to the market like a conventional tap stock.
In order to meet criticisms about the way the last issues were handled the Bank stressed yesterday that bids could be submitted to the Bank's regional branches by 3.30 pm on Wednesday and not later than 10.00 am on Thursday morning in the Watling Street office of the Bank.
The authorities also intervened in the money markets yesterday in order to push up three-month interest rates. Following the fall in the Treasury bill rate from 11.329 to 10.929 per cent at yesterday's tender, the Bank forced one or two discount houses to borrow for a week at minimum lending rate of 13 per cent.
At the same time, the authorities are trying to push down very short-term rates through the release of about £250m of special deposits and a gilt-edged purchase and resale agreement amounting to £200m with the clearers.
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Retail prices rise near 10%

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE 12-month rate of retail price inflation is on the brink of returning to double figures, probably within the next couple of months—though there may be only a limited further acceleration.
The retail price index increased by 0.8 per cent in the month to mid-February to 208.9 (January 1974=100), giving a rise of 9.6 per cent over the previous 12 months. This compares with a 9.3 per cent rise in the year to mid-January, and a low of 7.4 per cent in the 12 months to last June.
The 12-month rate looks like moving up above 10 per cent by mid-April or mid-May at the latest in view of rises already in the pipeline—for instance, higher beer and petrol prices (adding a third of a point to the index) as well as the big household price increases already announced. This is before taking account of any increases in indirect taxes in the Budget on April 3. Moreover, the comparison will be with fairly low monthly rises last year.
The acceleration in the inflation rate has occurred earlier than expected because of a sharp rise in the cost of seasonal foods (such as vegetables)—up 131 per cent in the last two months as a result of the bad weather—and a hunching of increases in transport costs. The upward trend was underlined on Wednesday by the Price Commission index of notified price rises.
But once the 12-month rate is over 10 per cent it may not move much higher this year. This is partly because seasonal food prices are likely to fall back from current high levels in the summer and because the strength of sterling is partially offsetting the current level of pay increases.
Consequently most leading Continued on Back Page

REPORT ON ULSTER INTERROGATIONS

Mason acts on proposals U.S. Irish attack Britain

BY STEWART DALBY AND IVOR OWEN

NORTHERN IRELAND'S Director of Public Prosecutions is to consider whether criminal proceedings should follow an official report yesterday that injuries sustained by some terrorist suspects in police custody could not have been self-inflicted.

Mr. Roy Mason, Northern Ireland Secretary, told the Commons that the Government accepted the broad conclusions of Judge Henry Bennett and the two other members of the committee investigating police interrogation procedures in Northern Ireland.
Mr. Mason, speaking at Stormont later, said: "The Bennett Report has not said that ill-treatment has taken place, and it is wrong to read that into it."
"We must differentiate between allegation and evidence. What has been produced is allegation and not evidence. If there were evidence there would be prosecutions."

The long-awaited report says: "Our own examination of medical evidence reveals cases in which injuries, whatever their precise cause, were not self-inflicted and were sustained in police custody."
It follows separate allegations by Dr. Robert Irwin, a part-time police surgeon, on a recent TV programme. He said he had seen 150 cases in the past three years of police brutality at the Castlereagh interrogation centre.
The report seems likely to add to demands for the resignation of Sir Kenneth Newman, Chief Constable, which has been called for by leaders of the Social Democratic Labour Party.

Most political parties in Northern Ireland welcomed the report yesterday. However, Mr. Tom Hartley, chairman of the Belfast Branch of Sinn Féin, the political arm of the Provisional IRA, said: "It is just another English report by an English judge attempting to hide from public view the brutal methods of the British Government."

But it was welcomed by Mr. Oliver Napier, leader of the non-sectarian Alliance Party. "The Alliance Party has always recognised the need for safeguards in interrogation procedures," he said.

The report also recommends:
● Every 24 hours a suspect should be offered a medical examination.
● Steps should be taken to allow juveniles' parents to attend.
● Women detectives should be present when females are interviewed.
● Interviews should not normally take place between midnight and 8 am nor during meal times.
● The police authority is urged to require complaints tribunal hearings.

● Report of the Committee into Police Interrogation Procedures in Northern Ireland Cmd. 7497.

dures which we believe is in the interests of not only the community but the police themselves," he said.
Mr. Mason has immediately accepted the two key recommendations of the report that close-circuit TV be installed in interview rooms so that senior uniformed officers can monitor interrogation practices; and also that terrorist suspects should have the right of access to a solicitor after 48 hours in custody and then every subsequent 48 hours.

However, he finds himself forced to act more quickly than the two or three months by when he has promised that precise action will be taken on all the committee's detailed recommendations.
Dr. Irwin, whose accusations brought forward the release of the report, has become the centre of a new controversy.

Mr. Gerry Fitt, SDLP MP for West Belfast, accused the Northern Ireland Office of a smear campaign against Dr. Irwin. But Mr. Mason denied this. Mr. Fitt was referring to reports that Dr. Irwin's wife had allegedly been raped and that bitterness over failure by the RUC to bring charges against the culprits had led to doctor to make allegations against the police.

Sir Kenneth Newman said later that if there was the slightest evidence that a smear campaign had been launched against Dr. Irwin a full investigation would take place.
He declined to say whether he believed the findings of the report to be true. He said: "I would not rule out the possibility that there had been some abuses but I would stress that nothing in the report is evidence. Everything must be subjected to the proper supervisory procedures."

Members of Dr. Irwin's family have reportedly denied that the doctor had any particular bitterness against the largely Protestant RUC and pointed out that Dr. Irwin is himself a Protestant.
Mr. Mason said: "I have been so perturbed by the allegations that I have made an urgent check this morning and I can assure the House that there is no trace of Northern Ireland Office involvement in this."

The politicians call on Britain "to indicate its willingness to give active consideration to the widely-discussed proposals for a confederation or other constitutional arrangement linking Northern Ireland with the Republic of Ireland."

Noting the narrowing economic gap between the Republic and Ulster, the statement maintains that "the emerging recognition of the coincidence of interests between Northern Ireland and the Republic—and the divergence of interests between Northern Ireland and Britain—is also taking place as a result of the influence of the European Community."

Impugning the British will to force a political settlement, the statement implies that the Conservative Party is as guilty as the Labour Government.

The statement also suggests that Britain has not done enough to rectify human rights violations perpetrated on prisoners in Ulster and calls for "a more comprehensive investigation, leading to the punishment of all officials guilty of abuses."

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286 + 10	Scottish & Universal	
289 + 13	Inv.	164 + 24
209 + 8	Scottish Metropol.	139 + 5
445 + 40	Smith Wallis	185 + 17
63 + 4	Warner Est.	218 + 18
500 + 10	Shell Transport	716 + 16
445 + 20	Ultramar	288 + 20
196 + 7	Charter Cons.	172 + 5
381 + 3	Cous. Gold Fields	217 + 7
360 + 13	Hartbeest	114 + 1
72 + 15	Minoreo	215 + 15
135 + 10	Pancontinental	110 + 1
137 + 7	Union Corp.	370 + 6
394 + 7	West Rand Cons.	182 + 7
66 + 9		
232 + 8		
78 + 5		
	English Prop.	80 - 34
	Hill Samuel Writs	230 - 40

OVERSEAS NEWS

Turkey doubles petrol prices

By Metin Munir in Ankara

TURKEY has increased petrol prices by an average of nearly 90 per cent to between £1.52 and £1.79 a gallon as part of the Government's long-delayed further measures to stabilise the Turkish economy.

At the same time, sales of iron and steel, cement, sugar, tobacco and some other basic commodities were banned yesterday to allow stockpiling by officials in preparation for price increases.

Already, however, there has been considerable hoarding of many goods in anticipation of the price increases. Shopping centres were virtually deserted yesterday, with the shops short of everything from detergents to butter, petrol and antibiotics.

As one official in Ankara put it: "So much petrol has been hoarded that if you light a match the whole town would blow up."

Mr. Bulent Ecevit, the Prime Minister, is expected to launch the other measures in his latest programme to tackle the economic crisis within the next few days, following discussions this week with labour and management representatives.

The programme is awaited with interest abroad. If the International Monetary Fund finds it adequate, it should ease Turkey's problems in raising the funds it has been seeking from western states following the Guadalupe summit and from foreign banks. But a devaluation of the Turkish lira, which is being sought by the IMF, may be avoided.

David Buchanan adds: The U.S. should "forgive" Turkey repayments of past debts, and make economic and military aid grants instead of loans to the country. Senator John Tower said yesterday.

Turkey is virtually bankrupt, her government is fragile, and the internal political situation is volatile," said Senator Tower, the ranking Republican on the Senate Armed Services Committee, who visited Turkey last month.

Senator Tower suggested that Turkey's military sales debt of more than \$400m to the U.S. Government should be written off, and that the Administration double the \$86m economic aid loan it proposes to give Turkey next year, and convert it into a straight grant.

Japanese trade back in surplus

By Richard Hansen in Tokyo

JAPAN RECORDED a trade surplus of \$1,058m last month, a sharp reversal from January's record monthly deficit of \$527m, according to preliminary figures.

For the second month in a row, Japanese exports rose at a single-digit annual pace, up by only 5 per cent on a dollar basis to \$7,650m, but rising sharply from \$5,960m in January when the annual rate of increase was 6.4 per cent.

Seasonally adjusted exports were up 4.5 per cent following an adjusted decline in January, which is traditionally a poor export month. Imports, on the other hand, rose 31 per cent in February to \$6,540m following January's 29.2 per cent yearly climb to \$6,790m. The adjusted increase from January was 3.8 per cent.

The current account surplus, following a record deficit in January, was a moderate \$300m. A sudden surge by the Japanese to buy gold is having an extraordinary impact on the European Community's trade with Japan, particularly in the case of the U.K.

Total EEC exports to Japan in February were up 41 per cent from a year ago to \$582m which means that non-monetary gold accounted for a remarkable 10.8 per cent of the total. Assuming the bulk of the gold bought from the EEC was purchased in London (an exact breakdown is not available), it is possible that more than one-third of the U.K.'s February exports to Japan of \$151.8m consisted of gold.

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China completes Vietnam withdrawal

BY JOHN HOFFMANN IN PEKING

HUANG HUA, China's Foreign Minister, has confirmed that the withdrawal of Chinese troops from Vietnam has been completed.

He told a Press conference in Peking late last night that China was now ready to negotiate with Vietnam for normal relations. Talks could start "very soon" and he believed the issues between the two countries could be resolved.

According to an Associated Press report from Bangkok, however, Vietnam claimed that Chinese troops yesterday had destroyed a vital rail link. Hanoi Radio also accused China of planning to "annex" Laos—an allegation discounted by analysts in Bangkok as propaganda although it is thought the Chinese may well attempt to fuel already existing anti-government insurgencies in Laos.

It has also been confirmed that Vietnam has been sending large troop reinforcements to its northern border and that Russian aircraft and ships have helped in the operation.

Earlier it was reported, unofficially that Premier Hua Guofeng (Hua Kuo-Feng) had told a visiting Japanese delegation that the withdrawal of Chinese troops had been completed on Thursday. But Mr. Huang emphasised last night that the operation finished yesterday.

He made it clear that military tension still existed on the border. The Chinese troops had returned "so as to guard strictly China's border," he said. If Vietnam persisted in a policy of anti-China hostility, the Chinese frontier troops would firmly resist.

Mr. Huang accused Vietnam of lying about the conduct of Chinese troops, during the withdrawal. China had been blamed for atrocities and acts of destruction committed by Vietnamese soldiers. "Their lies have become more and more fantastic," he said.

China would not make the retreat of Vietnamese forces from Cambodia a precondition for peace negotiations. "But during the

negotiations this question is bound to come up," Mr. Huang said.

But Hanoi claimed yesterday that Peking's forces were still shelling and looting many areas of three border provinces.

The Voice of Vietnam claimed that fierce fighting continued in Cao Bang and that several hundred Chinese troops were killed in the Ta Hu Xiu area of the province.

Meanwhile, Laos claimed yesterday that Chinese troops had encroached up to two miles into its territory last week and that Peking continued to send spies and agents into Laos to overthrow the Vietnamese Government.

Western analysts in Bangkok have been sceptical of recent charges by Laos, Vietnam and the Soviet Union that the Chinese were massing troops along the Laotian border.

Laos has ordered the expulsion of all Chinese aid technicians in Laos and on Thursday Peking warned its southern neighbour not to move further "down the anti-China road."

The Chinese government announced officially yesterday that "negligence caused the crash to a Trident jet aircraft in Peking on Wednesday."

A total of 44 people were killed or injured when the aircraft, a Chinese air force transport, crashed into a factory compound near the Peking military airport.

Unemployment in France up 2.3%

BY TERRY DODSWORTH IN PARIS

THE RISING tide of unemployment in France, the main point of attack of the Government during the emergency parliamentary debate of the past two days, crept up still further in February.

According to the latest official figures, the number of unemployed rose by 2.3 per cent in February, compared with the previous month to 1,285,000. This means that on a year-on-year basis the increase amounts to 21.6 per cent.

The uncorrected figures are more encouraging, showing a slight 1.1 per cent decline in unemployment compared with January to 1,342,000. But the Ministry of Labour is taking no encouragement from this, saying the statistics show the "fragility of the labour market."

One of the main reasons for the worsening figures is the present determination of industry to shake out surplus labour. Of the 207,000 new job seekers who came on to the books last month, 122,200 had lost their posts, either through re-organisation or being allowed to go at the end of their contracts.

Robert Maunier adds: In the debate, the Gaullists, on whose initiative the session had been called, finally succeeded in

obtaining the necessary votes for the setting up of two special commissions to examine information policy and the problem of unemployment.

But this was preceded by an incredible series of purely parliamentary manoeuvres and changes of ad hoc alliances between the various parties which underline the lack of unity in both the Government and left-wing Opposition camps.

Opposition censure motions were defeated when the Gaullist party did not back either the Communist or Socialist motions, and the Socialists refused to support the Communist motion.

The French Press was almost unanimous in emphasising that the country had the right to a much more profound debate on its industrial and employment problems at a time of serious industrial unrest in the steel-making regions.

But M. Georges Marchais, the Communist leader, accused President Giscard d'Estaing of having "orchestrated" an anti-parliamentary campaign in the media because he had been forced to convene the emergency session against his will by a majority of National Assembly members.

Lisbon resignation

BY JIMMY BURNS IN LISBON

SR. CARLOS MOTA PINTO, the Portuguese Prime Minister, is due back here today from a visit to Brazil to face what is threatening to be the first major embarrassment for his three month old Government.

Dr. Mota Pinto is expected to go out of his way to squish widespread rumours that his hitherto solid Administration is seriously divided following the surprise resignation yesterday of Sr. Augusto Martins Ferreira do Amaral, As Secretary of State for Agrarian Restructuring. Sr. Amaral has been the member of the Government most directly involved in implementing the controversial agrarian reform law, in recent months.

Sr. Amaral yesterday refused to comment on his resignation until he has seen the Prime Minister. However a communiqué issued by his party, the small Popular Monarchist Party, which is closely linked

to the influential Social Democrat Party, accused President Antonio Ramalho Eanes of yielding to pressure from Portugal's left-wing parties. Both the Socialist and Communist Parties have criticised the tough methods adopted by the Ministry of Agriculture during the handing back of collectivised land to private ownership.

The resignation of Sr. Amaral has come less than four days from the beginning of a crucial parliamentary debate on the Government's budget, but the full implications of the latest political controversy were still far from clear yesterday.

When Sr. Mota Pinto formed his Government last December, Sr. Apolinario Vaz Portugal, the Agriculture Minister, made it clear that he would not accept the post unless he was allowed. It remains to be seen whether Sr. Vaz Portugal or indeed any other minister will now also tender resignations.

U.S. output rises slightly

BY DAVID BUCHAN IN WASHINGTON

INDUSTRIAL PRODUCTION in the U.S. last month rose by 0.3 per cent, the Federal Reserve Board reported yesterday. This was a slight improvement on the January increase of 0.1 per cent, the lowest for a year.

The last two months' output figures show the economy is slowing down, but not as fast as many private economists have predicted and perhaps not sharply enough to affect inflation seriously.

President Carter is to examine

what new steps his Administration can take, short of mandatory wage and price controls, to curb inflation, aggravated by high wholesale price rises this year.

The February rise in industrial output squares with the slight drop in unemployment rate that month to 5.7 per cent. The largest increases were in capital equipment and non-durable goods, but car output fell to an annual rate of 8.8m units.



Dr. Rhodie

Warrant out for arrest of Rhodie

By Quentin Peel in Johannesburg

A WARRANT for the arrest of Dr. Eschel Rhodie, former head of the South African Department of Information, is to be issued on charges of fraud and theft, and further evidence of the misuse of state funds in his department is to be published, it was announced yesterday.

Mr. P. W. Botha, the South African Prime Minister, seeking to defuse the growing scandal over the "secret" propaganda activities of the former department, also announced the appointment of an Advocate General to investigate allegations of corruption or malpractice made against any member of the Government.

But evidence affecting state security and South Africa's international relations will not be published, also told Parliament in Cape Town.

The Prime Minister's actions were immediately condemned by Opposition spokesmen as totally inadequate to allay public suspicion about the activities of the former Information Department.

He told Parliament that the terms of reference of the Erasmus commission currently investigating the department would be extended to include "the political culpability of the Government" an exceedingly vague concept which could be defined as making all political comment on the affair subjective.

Namibia talks

Meanwhile, Mr. P. W. Botha, the South African Foreign Minister, agreed last night to fly to New York for next week's talks aimed at reviving the UN plan for a peaceful settlement in Namibia.

Mr. Botha said his decision follows a clarification by Mr. Cyrus Vance, the U.S. Secretary of State, of the purpose of the talks, which will also involve the South-West Africa People's Organisation (SWAPO), the five front-line black states in southern Africa, Nigeria, and four internal political parties from Namibia.

Rhodesian jet aircraft yesterday bombed ZANLA weapons and ammunition storage depot at Dondo in Mozambique, some 20 miles from the country's east coast, Tony Hawkins writes from Salisbury.

Sadat urges swift signing of treaty

BY ROGER MATTHEWS IN CAIRO

PRESIDENT ANWAR SADAT wants a swift signing of the peace treaty with Israel but warned yesterday that it would be only the start of a long process. "Let us sign and start the peace process," he said in his home village of Mit Abul Kom.

Mr. Sadat added: "I know that Mr. Begin (Israel's Prime Minister) will be raising hell, as he always does, but by God I shall be raising hell for him also."

However, Mr. Sadat appeared to confirm Egypt's reluctance to welcome Mr. Begin to Cairo for the signing of the Arabic text of the treaty. He said he would like the Arabic, English and Hebrew texts to be signed at the same time in Washington. "Jimmy Carter is the one who has done it. It is not my show, nor is it Begin's show. It is Jimmy Carter's show," he said.

Three signing ceremonies, in Washington, Cairo and Jerusalem, appear to have been ruled out.

Egyptian officials have privately indicated anxiety at the popular reaction to the presence of Mr. Begin in Cairo and the additional impact this would have on an already hostile Arab world.

Mr. Sadat said yesterday that he expected more problems from Arab countries opposed to the peace treaty. He had already "been convicted by some Arabs" for the two disengagement agreements signed after the 1973 war, for his visit to Jerusalem in November, 1977, and for last September's Camp David accord.

Saudi Arabia's attitude is of key importance for Egypt and the official silence which followed Vice-President Hosny

Mubarak's visit here earlier this week would seem to indicate little success in persuading the Saudis to adopt a neutral stance.

Mr. Kamal Hassan Ali, the Egyptian Defence Minister, left for Washington yesterday, where he will discuss the return of Sinai to Egypt with Mr. Ezer Weizman, his Israeli opposite number.

David Lennan adds from Tel Aviv: Tomorrow's Israeli cabinet meeting to endorse the full draft peace treaty with Egypt has been postponed for a day because Mr. Begin is ill, but it is understood that Mr. Begin will meet the National Religious Party, one of the coalition partners which is insisting that the cabinet take crucial decisions about the West Bank and Gaza Strip.

The Premier and some other members of the Government are reluctant to permit any debate within the cabinet on autonomy for these areas, because they fear that news of their decisions could create problems with Egypt before the treaty is signed.

Egypt and the U.S. view the autonomy plan as a transitory stage towards the creation of a Palestinian state in the occupied territories, but Israel has insisted that it will never permit such a development to occur.

The National Religious Party has given its support to the treaty with reservations. Reuter adds from Beirut: Several civilians were wounded yesterday when two Lebanese Left-wing groups fought a gun battle on a busy avenue in predominantly Moslem West Beirut, the Syrian-dominated Arab League Deterrment Force (ADF) troops arrested three gunmen to halt the clash.

Chad rivals 'sign peace agreement'

PARIS—Rival factions in the Chad civil war, have concluded a peace agreement in the northern Nigerian city of Kano, it was reported yesterday.

The agreement was signed between President Felix Malloum, Prime Minister Hissene Habre, a former guerrilla leader, and the heads of two more armed groups involved in the complex struggle for supremacy in the former French African colony.

The agreement was said to provide for a general ceasefire, an amnesty for political detainees, and the release of hostages and prisoners of war. Nigerian peacekeeping troops already in the country will provide neutral force to police the agreement.

The parties to the agreement will set up a provisional Government of national unity until elections can be held.

Troops commanded by President Malloum, whose power base is the black Christian and animist population of the south, have suffered a series of defeats at the hands of Moslem fighters loyal to Prime Minister Habre. Reuter

EEC postpones legal action over budget

By Guy de Janquigny, Common Market Correspondent in Brussels

THE European Commission has decided to delay taking legal action against Britain, France and Denmark, over their failure to pay their full EEC budget contributions this year in order to permit a fresh attempt at settling the protracted budget dispute.

The 12 member Commission decided on Wednesday to open formal proceedings against the three defaulting governments, which had refused to pay on the scale required by the budget voted by the European Parliament.

But the Commission has now agreed to hold its fire.

John Hunt adds from Strasbourg: A warning that the Council of Ministers should not encroach on the budgetary powers of the European Parliament was given in Strasbourg yesterday by Mr. Erwin Lange, chairman of the Parliament's budget committee.

He doubted the "reality and seriousness" of assurances from the Council that it had no intention of undermining the budgetary authority of the Parliament.

JEAN MONNET 'Father of Europe'

Jean Monnet, who died at the age of 90 yesterday, was the last of the generation of European statesmen who set Europe on the path to European integration, and in many ways was the greatest of them all. Unlike Schuman, de Gasperi, Adenauer and Spaak, he never sought or achieved the highest political offices, and the Treaties of Paris and Rome were signed by other hands. Nevertheless the European Community, as it was set up, was very much his handiwork, for behind the scenes he was one of the principal moving forces in every phase of its preparation.

During his own life-time he became famous on both sides of the Atlantic as the legendary "Father of Europe," and committed supporters of federalism in Europe described themselves as "Monnetists." Yet his celebrity was in striking contrast with his retiring disposition and with the total discretion of his methods of work. Monnet's achievement was all the more remarkable in that a revolution in the shape of Europe was the result of years of tireless lobbying, drafting, arguing and committee-work, all far from the public gaze.

Following the celebrated Schuman Declaration of May 9, 1950, Monnet chaired the negotiations on the Treaty of Paris, and almost inevitably was made first President of the High Authority of the ECSC.

Monnet's administrative office soon became irksome, and after the defeat in 1954 of the plan for a European Defence Community he returned to private life in order to throw his weight more freely behind the European movement.

He then formed the Action Committee for the United States of Europe, composed of politicians and trades unionists from all six member countries, and in its early years this private pressure group had considerable success in pushing forward the work of integration. In particular it was largely responsible for the formation of the European Economic Community and Euratom under the Rome Treaties.

Excluded

In later years, and especially after the return to power of General de Gaulle, the Monnet Committee was unable to make much progress against the nationalist conceptions of the absolutist French President, and Monnet himself was increasingly excluded from the centres of political power in France.

But he continued relentlessly to push for a more federal Europe, and he was one of the few great European statesmen who genuinely wanted to see the Community enlarged to include the U.K. This was partly, no doubt, because he had spent many years in London, but also because he was untainted by any streak of nationalist ambition.

Jean Monnet was one of the most powerful advocates of an Atlantic Partnership between Europe and the U.S.



Terry Kirk

France to set up the first French economic plan, known to later generations as "le plan Monnet." Five years later he was still at the Commissariat du Plan when he first proposed a European coal and steel pool.

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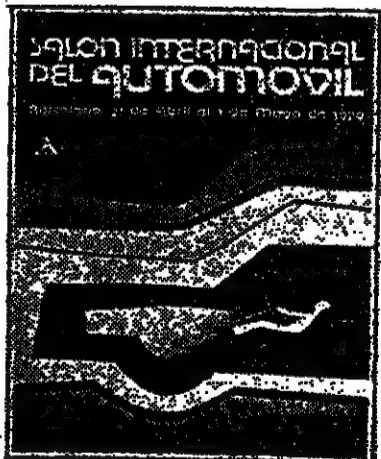
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Jean Monnet was one of the most powerful advocates of an Atlantic Partnership between Europe and the U.S.

Ian Davidson, Foreign Editor

Check-point for the automobile businessman:
AT THE BARCELONA INTERNATIONAL MOTOR SHOW (SPAIN)
From April 21st to May 1st 1979



All the activities and variants in the automobile industry will be represented by:

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- Manufacturers of equipment, component parts, accessories, garage equipment, repair shops, maintenance and services
- Supplies, services and materials for the automobile trade
- Import and export firms
- Motorcycles, mopeds and bicycles
- Competition section

EXPOMOVIL - 80, the Spanish competition for the professionals of the equipment and component part industry, cast iron, workshop and transport equipment, will be held in Barcelona in April 1980.

North Yemen announces amnesty

BY MICHAEL TINGAY

NORTH YEMEN yesterday announced a general amnesty for all Yemenis opposed to the regime of President Ali Abdullah Saleh, provided they declare their loyalty and hand over their arms.

Later the Iraq News Agency reported that the North and South Yemeni Chiefs of Staff signed an agreement providing for simultaneous withdrawal of their forces to positions they manned before border fighting broke out three weeks ago.

In a despatch from Sanaa the agency said the signing took place at a meeting there attended by members of an Arab military committee formed by Arab foreign ministers in Kuwait earlier this month. The withdrawal will start today.

The amnesty is the most public admission yet that the National Democratic Front (NDF) which took over large

sections of border territory last month with the full military backing of South Yemen enjoys significant support.

The amnesty, which follows the release last month at the behest of Iraq of a number of pro-Iraq Baathists arrested after a coup attempt in October 1978, apparently follows the conclusion by the Arab League's Cease-fire Committee that there can be no military solution to the takeover of five border areas by the NDF and its Adeni supporters.

The North Yemeni (YAR) army was shattered in the border fighting last month by equipment losses, tribal factionalism and desertions.

The three key states in the Arab League's military committee, Iraq, Jordan and Syria, have not been willing to become further involved because of the factionalism within the party tribal armed forces of the YAR.



A totally unexpected development was the arrival here at the invitation of the YAR of a delegation from Ethiopia led by Mr. Berhanu Bayeh, a senior member of the ruling Derge

responsible for foreign affairs. Mr. Bayeh met YAR leaders yesterday. Ethiopia supported PDY during last month's war and Sanaa is anxious not to damage the trade and commercial links between the two countries.

The amnesty indicates that Iraq, Jordan and Syria have forcefully imposed their view that political rapprochement is necessary within YAR.

Observers do not believe that Iraq could use its influence to such an extent without the approval of Saudi Arabia. President Saleh's main backer. This partly reflects the tension in the region: in the wake of moves towards a peace treaty between Egypt and Israel.

UK NEWS

Government to extend shipyard credit terms

Y ELINOR GOODMAN, LOBBY STAFF

GOVERNMENT is to introduce a scheme to help Britain's shipyards. The aid will be to yards throughout the country, but Scottish Nationalist and Ulster Unionist MPs have said it will be of particular benefit to those in Ireland and Wales.

The promise of help for the building industry comes at a time when the Government clearly likes to build up will with the minority.

The signs yesterday were the seven Ulster Unionist would put an unacceptable price on their continued support in Parliament. They the Government to commit to building a £100m gas pipeline between Ulster and the rest of the country.

A new scheme for shipyards ship repairers will extend special credit terms available for building ships to construction work.

present, the Government presents private bank loans

for ships built by British yards. But it has not offered similar guarantees on conversion or repair work until now. This has put British yards at a disadvantage with those in other EEC countries.

But the Government has now decided to fill this gap by extending the Home Credit Scheme operated under the Industry Act, 1972.

Energy supplies

It insists that it is not trying to negotiate any formal deals with the nationalised utilities, but its business managers have gone to some trouble to spell out how yards in Scotland and Ulster could benefit from the provision of these credit facilities.

The Ulster Unionists, however, appear to have their eyes on much bigger fish. In a speech last night, Mr. Enoch Powell took up a point made earlier in the week by Mr. Harold Macmillan.

He said that the most important thing the Government could do for Northern Ireland was to link its energy supplies with those of the mainland. The decision he said, was essentially a political one.

The idea of building a gas pipeline between England and Northern Ireland has already been rejected by civil servants in a confidential report before Mr. Roy Mason, the Northern Ireland Secretary.

The officials argued in the report that the project would cost £100m. There was no economic justification on for it since Ulster already had an over-abundance of energy-albeit at a higher price than in England.

They also pointed out that there was no money available for such a scheme in either the Northern Ireland fund or from the Treasury.

The Government is expected to publish a consultative document shortly on the question of energy in Northern Ireland. This is expected to adopt a rather negative attitude to the idea of a pipeline, but some Ulster MPs believe that money could be found from the EEC if the political will was there to go ahead with the scheme.

Olympia likely to win English Property fight

BY CHRISTINE MOIR

OLYMPIA & YORK, the private Canadian company owned by the Reichman brothers, seems likely to have won the battle for English Property Corporation with its 60p per share offer.

Carena Bancorp, another Canadian concern run by the Reichman brothers, has decided against making a bid for EPC after eight days' consideration.

On the news, EPC's shares dropped 3½p in the market to match Olympia's offer. This still leaves EPC technically with two suitors. The other is Wereldhave, the Dutch property company which opened the bidding.

But Wereldhave, while officially keeping its 56p offer open, withdrew to the sidelines last Monday. It decided to leave the field free for Carena with which it had had an agreement—subject to a successful takeover of EPC—to share control of EPC's prize assets—a half share in the Canadian quoted property group, Trizec.

It now seems that Olympia has inherited that agreement. If Olympia wins EPC, Carena will have an option to buy half of EPC's direct holding in Trizec, and can increase its own Trizec stake to match EPC's.

In addition, Olympia has signed a formal agreement which consolidates EPC's existing relationship with Carena over Trizec. This amounts to "passive partnership," according to Mr. Jack Cockwell, a Carena director, and leaves management control of Trizec in the hands of Carena.

The other major factor in Carena's willingness to accept the probability of Olympia's takeover of EPC is the stringent Rank of England requirement that foreign companies must replace with their own capital the sterling borrowings of their UK subsidiaries as they mature. EPC has borrowings of £183m and properties worth £233m.

Bakery to close Aintree factory

By Rhys David

RANK HOVIS McDUGALL is to close its Mother's Pride bakery at Aintree, Liverpool, in June, with a loss of 350 jobs.

The company, announcing the move yesterday, blamed continuing loss of market share caused by last year's bakeries' strike, when small bakers moved in to meet demand.

RHM will continue to supply Liverpool outlets with bread baked in its main north-west bakery at Wigan.

The closure is the second to be announced this week on Merseyside, which has taken a disproportionate share of the job losses in British industry over the past two years. Akzo Chemie, part of the Dutch chemicals group, announced on Thursday its intention to close its Kirby additives plant, with the loss of more than 100 jobs.

Workers at the bakery will hold a mass meeting today to discuss the company's announcement. About 220 to 250 production workers, and around 100 staff will be affected. Mr. Eddie Prichard, Merseyside district secretary of the Bakers' Union, said yesterday they would be fighting the closure with the backing of the union's executive.

Taxation cuts urged for small companies

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

DETAILED proposals for a number of taxation cuts to help small businesses have been submitted to Mr. Denis Healey as ideas for next month's Budget by Mr. Harold Lever, Chancellor of the Duchy of Lancaster.

Mr. Lever—who is in overall charge of the Government's small companies policies—is soon to meet chairmen of the major clearing banks to try to persuade them that they should introduce guarantee schemes for the loans they make to small companies.

Speaking yesterday in response to the Wilson Committee report on small companies' financing, published on Thursday, Mr. Lever said: "I, in fact, would like to go further in this area than many other people."

Mr. Lever's ideas are believed to cover further concessions on capital transfer and gains taxes and other measures that would ease the tax burden on people setting up new businesses. But he is not specifically backing the Wilson Report's proposal for tax concessions attached to a proposed new form of investment trust called a "small firm investment company."

It seems extremely unlikely, however, that many of his ideas will be included in the Budget. Traditional Labour Party opposition to wide ranging tax concessions in this area will be bolstered by the general wish of Ministers to keep this year's Budget and Finance Bill as short and simple as possible.

For this reason there may not be a small companies package attached to the Budget. Mr. Lever made it clear yesterday that most of the Wilson Report's ideas will need more detailed consideration than would be possible during the next three weeks.

But Mr. Lever does hope to persuade the clearing banks that loan guarantee schemes are necessary. If they do not agree to introduce their own schemes voluntarily, the Government may consider introducing and running its own arrangements, even though there is a strong body of opinion in Whitehall that such initiatives ought to be directed towards equity and not bank loans.

Mr. Lever said yesterday that he would like each of the clearing banks to introduce their own guarantee scheme within their own banking system.

● The Government has no plans to instruct the Inland Revenue to offer a "tax amnesty" to small businessmen similar to that extended to Fleet Street casual workers, Mr. Robert Sheldon, Treasury Financial Secretary, said in the Commons yesterday.

Fears that Lucas may axe 3,000 jobs

ARTHUR SMITH, MIDLANDS CORRESPONDENT

THE UNIONS fear that Lucas, the motor components suppliers, might soon face redundancies.

company warned senior executives in the wake of troubles in Iran and in the UK motor industry that 3,000 jobs might be lost.

Details of the plan to resume a week on 15,000 jobs have been lost through natural causes. But the company said last night that no plans for redundancies had been decided and the position was under review.

move at Lucas would be with cuts in the industry UK vehicle assemblers are to lose ground to imported Engineering is

350 redundancies. Industries more than 1,000 jobs, and Owen up to 100. situation is very serious spare capacity in the 10 per cent, according to John Thompson, deputy managing director of Smiths, and chairman of the Society of Motor Manufacturers and Traders. Industry requires a home base from which

to export and was highly dependent upon the performance of BL. Even if the State-owned concern lost market share to Ford, the additional vehicles would in the main come from Ford plants in Europe with a high import content of components, Mr. Thompson maintained.

Many component companies are pessimistic that industry estimates of 1.58m UK car registrations this year and 1.55m next year will be achieved. Imports are expected to take at least 50 per cent of the market this year rising by another two to five percentage points in 1980.

Associated Engineering is cutting its 23,500 UK labour force by about 350, largely by natural wastage and voluntary redundancy.

At Smiths Industries, about 200 redundancies are being sought at Cricklewood, North London. Labour is also being reduced slightly at Witney, Oxford, but the number has yet to be determined.

Birmid Qualcast plans to reduce employment by 160 at its motor cylinder plant, Smethwick.

The Rubery Owen motor components company, at Darlaston, which has reduced the labour force by 200 to 1,700 recently, is looking for another 50 to 100 volunteers for redundancy.

Hurd joins Conservative criticism of EEC

OUR LOBBY STAFF

DOUGLAS HURD, a Conservative Shadow Cabinet member, joined in the open criticism of many of the European Community. But he took care to state those views by defending the Community's wider aims and achievements.

Hurd, an Opposition spokesman on foreign affairs, convinced European, thus led to go some way to allaying the opposing views expressed this week by Edward Heath, the former Prime Minister, and Mr. Nott, the shadow trade minister.

Mr. Heath, Mr. Hurd said, the Prime Minister's performance since the summit in had been a shambles. He had done nothing and was claiming a triumph. The

Labour Government had so mis-handled its European policy, Mr. Hurd said, that even when its arguments were sound, they fell on deaf ears.

He acknowledged that some of the present Government's objectives over Europe were correct. The Conservative Party supported the demand for a free market in common prices of goods in surplus, for example, and agreed that Britain did badly out of the EEC budget on both revenue and expenditure.

Mr. Hurd joined Mr. Nott in emphasising that the party opposed the "bureaucratic silliness" which all too often spoiled the reputation of the Commission. But he said the party must not compete with the Government in unbalanced criticism of the Community, or else it too would be unable to protect British interests.

Underground fares set to rise 10% in June

LYNTON McLAINE

ON London Underground system are expected to rise almost 10 per cent from 1p if detailed proposals agreed yesterday are adopted by the Greater London Council.

council decided in December that fares on the London Underground would rise by an average of 8 per cent, which was then in line with inflation. The rise would be lowest for five years.

Under the proposals, there would be increases of about 5 per cent in adult bus fares, which would be no change for 10 per cent of passengers who pay the minimum fare.

would rise by an average of 9.6 per cent, but many ordinary fares, affecting 60 per cent of the journeys, would be unchanged.

London Transport has suggested a 10p flat fare for children travelling on the Underground on Sundays.

The new maximum bus fare is expected to be 35p in Greater London, but London Transport is to re-start off-peak fares, which will once again be at a maximum level lower than normal rush-hour fares.

About 16 per cent of the passengers who used this service travelled by other means after London Transport dropped it last year.

Rosvenor 'no' to Ealing tender

CHRISTINE MOIR

ROSVENOR ESTATES Commercial Developments has turned down an invitation from Ealing Borough Council for the new redevelopment scheme on Ealing Broadway.

with the project since 1969, and Mr. Dick de Broekert, a director, admits that he is "very disappointed at the waste of 10 years' time and energy."

Plans to redevelop Ealing Broadway have existed for more than 20 years.

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Net Interest Rate: 8.50% 9.00% 9.50%
Guaranteed differential: ☐ 2 years ☐ 3 years ☐ 4 years
above ordinary share rate: 0.50% 1.00% 1.50%

Please forward my interest to: Bank Account ☐ Cheque to Home Address ☐ Ordinary Share Account ☐

If bank, please complete: To Bank Ltd, at Account No.

Signature(s) Mr/Mrs/Miss Address

Post Code

Please send me further details on investing in High Yield Shares ☐ FT4

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LABOUR NEWS

Miners will ballot on 9% next week

BY CHRISTIAN TYLER, LABOUR EDITOR

THE MINERS are to ballot on the National Coal Board's offer of 9 per cent plus, next week. The executive of the National Union of Mineworkers voted yesterday by 20 to five to put the offer to ballot and by 19 to six to recommend that the Board's cash offer of £73.5m should be taken as a cross-the-board rise of £6.40 a week.

Mr. Joe Gormley, NUM president and others on the union's Right, insisted that the executive's decision forbade any executive members or officials from campaigning against the offer in their areas.

But the two Scottish executive members, Mr. Mick McGahey, the union's vice-president, and Mr. Eric Clark, Scottish area secretary, made it plain afterwards that they would ignore that interpretation. A renewed campaign against the deal in Scotland is bound to irritate Mr. Gormley. Many of his supporters are already anxious for him not to retire this year, as he has said he will, for fear of handing the presidency to Mr. McGahey.

Mr. Gormley yesterday bowed to the wish of a majority of miners' delegate conferences to take the money as a flat rate, despite his own and the Coal Board's desire to widen the pay differential between surface and underground workers.

On the basis now to be recommended, minimum earnings of a surface worker would rise to just over £81 a week, about £88.30 for an underground worker and £94.80 for a coalface worker. This compares with the union's claim for basic rates of £84 on the surface and £110 at the face.

Mr. Gormley said yesterday he was confident the 230,000 miners would declare their "resounding acceptance" of the offer.

Unions quit BL Cars joint participation scheme

SENIOR SHOP STEWARDS at BL Cars have given six months' notice to withdraw from the firm's joint participation committee because, they claim, the company never tells them anything.

At a meeting of 400 shop stewards at Digbeth Civic Hall in Birmingham yesterday, the participation scheme was condemned as a sham and there was an overwhelming vote to withdraw from it.

A suggestion that, before giving notice of withdrawal, a meeting should be sought between the National Enterprise Board, the management and trade unions, was defeated.

After the meeting, Mr. Grenville Hawley, automotive group secretary of the Transport and General Workers' Union, said: "The participation procedure is not operating in the way it should." The trade unions should have the right to influence decisions, but "decisions are being brought to the table put before the committee, and that is the end of the story."

He said he hoped the meeting's vote would make the company reflect seriously on the way it had been dealing with the trade union representatives in participation.

Mr. Eddie McGarry, deputy chairman of the BL shop stewards' combine, said several changes in the participation process had been suggested, and the two most important ones had been rejected outright by the company. He added: "We see no useful purpose being served in continuing with participation, because it is a sham."

The BL management, he said, kept taking decisions without any consultation with the trade unions. The latest example was the transfer of 400 people's jobs in BL Parts from Coventry to the administrative headquarters at Cowley, in Oxford. There had been no prior consultation, and Mr. McGarry said: "That is not participation."

● Vauxhall workers yesterday, voted by two to one in a 16-day strike in support of a man who was dismissed for allegedly striking a foreman. They agreed the dispute should go to arbitration, a solution which they had rejected earlier this week.

The strike, by 300 body shop workers at the company's Luton plant, led to 2,700 men being laid-off.

Television unions' vote to merge judged invalid

BY PAULINE CLARK, LABOUR STAFF

A BALLOT decision in favour of a merger between Britain's two biggest television and broadcasting unions has been declared invalid in the first case of its kind under the Trade Union (Amalgamations, etc.) Act 1964.

The decision announced yesterday by Mr. John Edwards, Certification Officer for Trade Unions and Employers' Associations, is a blow to union leaders who want to see one stronger union in the broadcast industry.

It followed several months' deliberation over a member's complaint about voting arrangements last year for the 18,000-strong Association of Cinematograph Technicians and Allied Technicians' July to August ballot.

The ACTT ballot showed only a 400 majority in favour of the proposed amalgamation with the Association of Broadcasting and Allied Staff, the dominant BBC union. The ABAS ballot of its 12,000 members, however, showed a large number in favour.

The complaint upheld by Mr. Edwards concerned the ACTT general council's failure to circulate to all members the case for and against the merger.

Mr. Edwards emphasised that there was no suggestion that the union had not acted in good faith, and blamed the problem on the general council's tight timetable.

Mr. Alan Sapper, general secretary of ACTT, said the union was extremely disappointed and would appeal against the ruling. If maintained, he believed it would damage the unity of workers in the broadcasting and film media, "and encourage forces who want a fragmented anarchical situation."

Any appeal would have to be on a point of law rather than against the quality of the judgment.

SLADE now defendant in advert blacking case

BY IVOR OWEN

SLADE, the print process workers' union, was made a second defendant yesterday in a High Court action against the National Graphical Association arising from the blacking of advertisements from companies advertising in the Nottingham Evening Post.

Mr. Justice Michael Davies adjourned the action, originated by six national newspaper groups, after the Nottingham Evening Post, the Newark Advertiser, the Grantham Journal and a number of advertisers including Boots, asked to join in.

Other parties wishing to do so should apply extremely promptly, he said. The hearing is fixed provisionally to resume on Tuesday.

Slade is to change some of its recruiting methods which have been strongly attacked by leading Conservatives.

A "significant shift" in the union's attitude and policy was reported by Mr. Harold Walker, Minister of State for Employment, replying to a debate on a Tory motion calling for trade union reform.

SLADE had decided not to take part in the present joint trade list and labelling system, he said.

The next issue of the union's journal says the labelling system's blanket compulsion

Ultimatum for Scots civil servants

THE GOVERNMENT has given 39 civil servants in Edinburgh until Tuesday to agree to undertake work normally done by strike-hit computers or face being sent home without pay.

The ultimatum, in the form of a warning notice delivered by Mr. Kerr Fraser, permanent under-secretary at the Scottish Office, comes one day after a warning from Lord Peart, Lord Privy Seal, that staff who refuse to take over the work of strikers—or work normally done by computer—will be suspended without pay.

Talks between national union leaders and Mr. Fraser in Edinburgh yesterday quickly broke down and civil servants in about a dozen Government offices in Scotland immediately walked out in protest.

Leaders of the eight civil service unions are due to meet Lord Peart on Tuesday.

UK NEWS

Mitsubishi buys ailing TV plant in Scotland

BY RAY PERMAN, SCOTTISH CORRESPONDENT

MITSUBISHI Electric Corporation, the Japanese electronics group, has acquired its first manufacturing base outside Tokyo with the purchase of a colour television factory in Scotland from the ailing Norwegian company, Tandberg.

The factory, in Haddington, East Lothian, employs only 100 people, but the Government closely involved in the sale, is thought to have promised financial aid for Mitsubishi's re-equipment programme and expects the plant to grow.

Mr. George MacKenzie, Scottish Office Industry Minister, said yesterday that with the introduction of new technology, the factory was expected to provide 240 jobs within three years. Mr. Alan Williams, the

Diversify

Mitsubishi has said it would initially continue to make and export colour television sets, but intended to diversify later. The company makes a wide range of high fidelity and other electronic equipment which it markets in the UK through a sales company based in Watford. Employees at Haddington have

been given two months' notice by Tandberg but will be offered new jobs by Mitsubishi after the summer. Senior works and personnel management is being retained.

The price paid by the Japanese has not been disclosed but it is understood that one condition of the sale was that outstanding debts would be met. In 1977 the British Government gave Tandberg £750,000 in loans and interest relief grants.

Tandberg, wholly-owned by the Norwegian Government, went into receivership in December and in February the company was broken up and parts of it advertised for sale. Besides the Haddington factory, it also has a sales and marketing company in Yorkshire.

Trawlermen capacity warning

BY RICHARD MOONEY

BRITISH trawler owners were yesterday warned by Mr. John Silkin, the Agriculture Minister, against a further build-up in their fish-catching capacity.

The industry is investing quite heavily in spite of the uncertainties about the future, he told a European fishing conference at Hull. "But are they over-investing?"

He said the Government must consider some form of vessel licensing to promote a sensible structural policy. "Restructuring needs to be planned properly."

The increasing over-capacity of the British fishing fleet has been causing much concern among certain industry leaders recently. Mr. Charles Meeks, chairman of the White Fish Authority, and Mr. Gilbert Buchan, president of the Scot-

tish Fishermen's Federation, have both drawn attention to the problem.

Mr. Meeks suggested that a restrictive licensing scheme might help to discourage expansion.

Mr. Silkin was critical of EEC conservation policy. There is still a clear need for further measures, he said, and improvements in enforcement controls were long overdue. He later indicated that further unilateral UK measures might be needed quite soon.

The Minister was surprised that the UK should be taken to the European Court over its conservation measures. "It's rather ill-prosecuting the householder instead of the burglar."

Earlier Mr. Finn Gundelach, the EEC Agriculture Commis-

sioner, urged UK fishermen attending the conference to press for an early conclusion to the renegotiation of the Common Fisheries Policy. "Tell your Government that this has gone on long enough. It is time to get on with the job," he said.

"There are proposals enough on the table—though some still need some amendment. The decision is ready to be taken when politicians have a little time off from elections."

The commissioner was confident that a new fisheries policy would be agreed "within a reasonably short time." He thought "tremendous" progress had been made on conservation. Conservation should be decided at Community level, he said. "Nationally decided conservation measures create mistrust."

Call for new independent accounting standards body

By Michael Lafferty

A NEW and independent "Ombudsman-style" Accounting Standards Board should be set up to take over issuing and enforcing accounting standards, says a partner in one of Britain's top accounting firms.

The board—Independent of the accountancy profession—should include "as a minimum" representatives from accountancy, the Department of Trade, the Stock Exchange, and possibly the Council for the Securities Industry.

Mr. David Smith, a partner in chartered accountants Arthur Young, McClelland and Moore, says it should also act in what appears to be an "Ombudsman-type" role.

"The board would have the power to call a listed company to discuss and explain any material departure from an accounting standard. The board would issue its formal conclusion as to the circumstances of the departure, and its position on the departure."

"At worst this would take the form of a public censure for the company concerned. At best it would build up a body of 'case law' for preparers and auditors of accounts," he said.

At a seminar organised by the accountancy profession's existing Accounting Standards Committee, he called for a return to the historic cost system in company accounts, and a concentration on producing standards defining earnings.

Takeover Panel rejects insider dealings appeal

BY ARNOLD KRANSDORFF

MR. S. R. GAE, an accountant formerly employed by Chaddeley Investments, has been severely censured by the Takeover Panel for insider dealings at the time of Chaddeley's merger with Greycoat Estates.

The censure follows an investigation into Mr. Gae's purchase of options on 50,000 Chaddeley shares. Mr. Gae had appealed against the panel's findings, but this was rejected yesterday.

The panel says that Mr. Gae's explanation that he bought the options because he thought highly of Chaddeley's prospects and because he knew that the company was doing well in the year to March 31, 1978, is most unsatisfactory since it means that Mr. Gae bought on the strength of confidential information acquired in the course of his employment.

The panel's statement says that Mr. Gae has agreed to pay to a charity more than 80 per cent of the net gains arising out of the purchases. This is the gain attributable to his own proportion of the profit, plus that retained by him of gains made on behalf of relatives who lent him money.

He had approached his relatives to try and persuade them to surrender the element of profit which they had received, but as they had spent this, they were not prepared to do so.

It also says that Mr. Gae admits to knowing that Capt. A. Swiss company, wanted to sell its 38 per cent holding in Chaddeley.

Mr. Gae has no connection with Greycoat because he left Chaddeley's employment before the merger.

Steel production deal

BY ROY HODSON

TWO of the bigger private-sector steelmakers, Johnson and Firth Brown, and Dunford and Elliott, have agreed a £5.5m deal to rationalise parts of their production facilities. Dunford and Elliott is a Lorrain subsidiary.

Under a conditional agreement, Johnson and Firth Brown will buy the Hatfield Forge plant in Sheffield and drop-stamping facilities at Rotherham belonging to Dunford and Elliott. The price will be about £3.5m.

At the same time First Steel Holdings, a subsidiary of Dunford and Elliott, will buy three

Johnson and Firth Brown steel stockholding businesses trading under the name Church and Bramhall. That deal will be worth about £2m.

The two companies said last night that the agreements were conditional upon clearances from a number of authorities.

When Mr. J. M. Clay, chairman of Johnson and Firth Brown, last night announced pre-tax profits of £4m for the half year to end December 1978, he said the acquisition of the Dunford and Elliott forging interests would improve activity levels.

Company News Page 22

News Analysis — The micro-electronics campaign

Facing the facts of a new era

BY JOHN LLOYD

THE GOVERNMENT launched earlier this week an unusually rapid programme of industrial indoctrination in association with the PA, the UK's largest consultancy. The Department of Industry will attempt to reach the country's decision-makers in companies and unions in an almost desperate attempt to push them into the micro-electronic age.

The urgency of the exercise was emphasised by Mr. Alan Williams, Industry Minister, when he announced the latest phase of the £55m Microprocessor Applications Programme. UK industry has so far "buried its head in the sand," Mr. Williams said, and disclosed that the world market for products incorporating micro-electronics was now about £50bn; in five years' time, it would reach £100bn. Some 2,500 products now incorporated some form of micro-electronic technology, and more were coming on-stream continuously.

In the U.S., micro-processor manufacturers were finding it difficult to keep pace with demand, but in the UK demand for micro-processors

was relatively steady. In the U.S., 24 per cent of all components used by industry incorporate micro-electronics; in Japan the proportion was 15 per cent; in West Germany 14 per cent; in Western Europe on average 13 per cent. In the UK the figure was between 10 and 13 per cent.

The study conducted by PA as a which it has developed, conclude to the programme framed the Minister's harshly realistic view. Mr. James Cooke, director of the PA team, said that between 80 per cent and 80 per cent of the companies surveyed—all of them among the country's top 1,000—had no experience of micro-electronic technology and no plans to use it. A mere 10 to 15 per cent had positive plans.

Mr. Cooke was insistent to make the country's "top people" aware of the new technology and, if possible, anxious to use it. He accepts that the only way the programme will work is by what he terms an "industry pull"—that is, companies must

become innovators in the technology, then pass their demands for skilled labour of all kinds back in the education system, forcing it to respond. That strategy contrasts strongly with the French method, which he calls "education push"—training schoolchildren and students in micro-electronics and computer science. Ten thousand micro-computers have been ordered for French classrooms.

High-level seminars between May and July will be aimed at 3,000 top industrialists and senior trade unionists. At the same time and afterwards seminars and conferences will be mounted by a wide variety of organisations, some of them formed especially to cope with the demand for micro-knowledge. Limited government funds will be available for these meetings.

A crucial aspect, as Mr. Williams and Mr. Cooke made clear, is training. There are only about 3,000 places in universities and polytechnics for training micro-electronic

engineers though it is planned to double that figure soon. Siemens, the big German electronic company, gives 5,000 engineers some form of micro-electronic training every year.

Part of the difficulty may be alleviated by Britain's friends and major competitors abroad. Mr. Williams said that on a recent trip to the U.S., he had received a very large number of inquiries from big and medium-sized U.S. electronic companies on the feasibility of setting up a manufacturing base in the UK. "If all come who say they want to come, we would become 'Silicon Island' very quickly."

Mr. Williams also commented on the "realistic view" taken recently by the consumer electronics sector working party when it called for increased links between the Japanese and British TV industries. He recalled his own unsuccessful attempt, at the end of 1977, to convince the industry and trade unions that Hitachi should establish a TV plant in the UK.

Harrods Spring Wine Offer

MARCH 1979

Since 1977 we have offered our customers 8500 cases of fine French wines and each offer has had to show moderate price increases.

As our clients will wish us to continue to find selections of the finest Bordeaux wines, in spite of the increase in prices, we have pleasure in presenting this collection of exceptional wines.

We are continuing to look for wines, which are great value for money, from lesser-known chateaux and districts. This list includes wines which we recommend and know will prove to be most acceptable.

March 1979 offer of famous-names chateaux of older and mature vintages. All chateau-bottled unless indicated (F.B.)

Ref.	Qty. Avail.	Vint.	Description	Full Cases ONLY Case Price, Each £
MR 1	50	1984	Ch. Cantemerle (Haut Medoc)	100
MR 2	10	1984	Ch. Latour (Pauillac)	240
MR 3	15	1985	Ch. Lyonnais (Lussac St. Emilion)	58
MR 4	40	1986	Ch. Pavell de Luse (Haut Medoc)	82
MR 5	10	1986	Ch. Meyne (St. Julien)	90
MR 6	8	1986	Ch. Talbot (St. Julien)	120
MR 7	10	1986	Ch. Duranton-Viviers (Margaux)	124
MR 8	10	1986	Ch. L'Evangeliste (Pomerol)	126
MR 9	10	1986	Ch. Pape Clement (Graves)	134
MR 10	10	1986	Ch. Beycheville (St. Julien)	144
MR 11	10	1986	Ch. Palmer (Margaux)	158
MR 12	6	1986	Ch. Lafite-Rothschild (Pauillac)	340
MR 13	25	1987	Ch. Lyonnais (Lussac St. Emilion)	52
MR 14	24	1987	Ch. Meyne (St. Estephe)	90
MR 15	20	1987	Ch. d'Isson (Margaux)	80
MR 16	16	1987	Ch. Pichon-Longueville-Escaut (Pauillac)	90
MR 17	13	1987	Ch. Talbot (St. Julien)	90
MR 18	20	1987	Ch. Leoville-Barton (St. Julien)	98
MR 19	12	1987	Ch. Leoville-Poyfere (St. Julien)	98
MR 20	10	1987	Ch. Cos d'Estournel (St. Estephe)	100
MR 21	18	1987	Ch. Leoville-Lascazes (St. Julien)	105
MR 22	8	1987	Domaine de Chevalier (Graves)	110
MR 23	20	1987	Ch. Mouton-Rothschild (Pauillac)	185
MR 24	12	1987	Ch. Haut Brion (Graves)	215
MR 25	15	1987	Ch. Lafite-Rothschild (Pauillac)	215
MR 26	100	1988	Ch. Cantemerle (Haut Medoc)	37
MR 27	100	1970	Vieux Chateau des Rocs (Lussac St. Emilion)	47
MR 28	50	1970	Ch. Saint Emilion (Medoc)	48
MR 29	23	1970	Ch. Pavell de Luse (Haut Medoc)	74
MR 30	15	1970	Ch. La Tour du Pin Figeac (St. Emilion)	77
MR 31	25	1970	Ch. La Tour Figeac (St. Emilion)	80
MR 32	50	1970	Les Forts de Latour (Pauillac)	97
MR 33	10	1970	Clos Fournet (St. Emilion)	98
MR 34	6	1970	Ch. La Lagune (Ludon, Medoc)	98
MR 35	20	1970	Ch. Ponsot Comet (Pauillac) F.B.	98
MR 36	15	1970	Ch. Talbot (St. Julien)	105
MR 37	20	1970	Ch. Leoville-Barton (St. Julien)	105
MR 38	20	1970	Ch. Gaudou-Larose (St. Julien)	115
MR 39	15	1970	Ch. Pape Clement (Graves)	118
MR 40	20	1970	Ch. Beycheville (St. Julien)	134
MR 41	20	1970	Ch. Cos d'Estournel (St. Estephe)	134
MR 42	20	1970	Ch. Palmer (Margaux)	142
MR 43	6	1970	Ch. Margaux (Margaux)	248
MR 44	25	1971	Ch. Des Moutilles (Bordeaux Supérieur) F.B.	30
MR 45	50	1971	Ch. Cissac (Haut Medoc)	44
MR 46	100	1971	Ch. La Borde (Cotes de Bourg)	50
MR 47	15	1971	Ch. Les Grands Moutilles (St. Emilion)	58
MR 48	14	1971	Ch. Gloria (St. Julien)	68
MR 49	10	1971	Ch. Margaux (Margaux)	180
MR 50	14	1971	Ch. Mouton-Rothschild (Pauillac)	207
MR 51	30	1973	Ch. Patache d'Aux (Haut Medoc)	38
MR 52	20	1973	Ch. Soutard (St. Emilion)	50
MR 53	15	1973	Ch. Giscours (Margaux)	67
MR 54	20	1973	Ch. Lynch Bages (Pauillac)	75

† Indicates some cases of 24 half-bottles available at the same price.

* Indicates some cases of 6 Magnums available at the same price.

Recommended inexpensive wines from other Districts. Bottled in region of production

MR 55	100	NV	Ch. Beaulieu (Coteaux du Languedoc)	18.50
MR 56	200	NV	Ch. La Tour de Fabrezan (Corbieres)	18.50
MR 57	200	Rouge NV	Ch. de Fontcalombes (Coteaux d'Aux (en Provence) VDQS)	23
MR 58	100	Rouge	Domaine de Laplace (Cotes de Dordogne)	25
MR 59	100	Rouge	Cotes du Rhone, Domaine Moly-Rouge	26
MR 60	300	1977	Cotes de Bugey (Garonne) d.c.	28

All prices include V.A.T. at 8% and are for full cases only of 12 bottles. 24 half-bottles or 6 magnums where applicable. Delivery is free to any part of the United Kingdom mainland.

HOW TO ORDER

BY POST - Please state your name, address and telephone number and include your Harrods Cardholder number if you have one, or the cardholder's number for the following credit cards, American Express, Access, Barclaycard, Visa, Emsa Club. Or send a remittance of the exact amount to Harrods Ltd.

BY TELEPHONE - Telephone enquiries will be welcomed. Dial 01-730 1234 and ask for extension 2609 or 3050. Enquiries will be dealt with by our experienced staff who can advise on your selection.

TELEX - Our Telex number is 24319.

Orders accepted subject to stock remaining unsold. Orders will be dealt with in strict retention of receipt in the Wine Department.

Wine Department, Ground Floor

Harrods

Knightsbridge, London SW1X 7NL 01-730 1234



THE WEEK IN THE MARKETS

Returning to reality

TER last Friday's sensational advance in the equity market shares held their ground on Monday, and it began to look as if the rise from below on the FT 30-share index 515 or so was indeed well-earned. Since Monday, though, inevitable shake-out has taken place. Institutional investors did not follow their purchases through but market was trying for a rally on Friday.

It is, too, have been returning to reality after four weeks of euphoria, and long yields, which had seemed to be heading under 12 per cent a week have returned decisively to 12 1/2 per cent. Expectations in the money market that the minimum Lending Rate might be cut were disappointed, and mood in general is very more sober.

At a start, the City's bullishness is evidently not shared by Bank of England, which in its Quarterly Bulletin saw the danger of inflation—a danger given point by the inflation in the Price Commission's index to over 10 per cent on a six-month annualised basis. There was no encouragement for the view that the interest rate would fall: the faster the rate of inflation, the higher the interest rates would otherwise have been. And equities can find no comfort from the

miserable outlook for growth that the Bank describes. Gilt is beginning to wake up to the danger that, with the Government's funding problems now solved for the time being, the Chancellor has less need than he might have had to present a Budget designed to please the City. The Bank of England's remarks on the need for cuts in public spending—which are, on the whole, unpalatable to the market—

LONDON
ONLOOKER

likely—revived unpleasant memories of the 1978 Budget and the bear market in gilt-edged that followed it.

BP profits

Like Shell, which reported last week, BP is beginning to see the benefits of the tighter oil market. Early in 1978 the over-supply of oil products had produced a position where it was very difficult for the oil companies to earn adequate trading margins. But already by the fourth quarter, gradual reduction in demand had improved their profitability, and now the shortage of oil following the revolution in Iran is allowing all the higher costs to

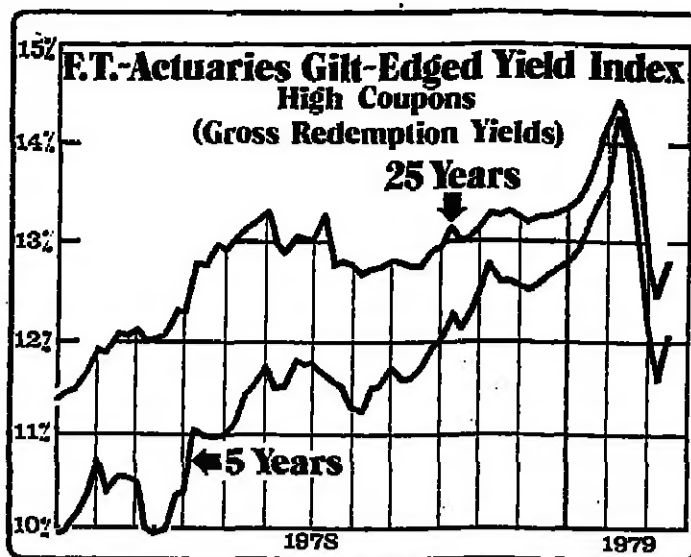
be passed on to the customer. A year or so ago it began to be realised that BP would not make the 1980 a share in 1978 that some analysts had been predicting, and the shares, over £9 at the time of the British Government's sale, came back to little over £7. In the event BP made only 115p a share last year, but all eyes are now on the current year and the share price has moved up to £11.

Net income in 1978 came to £444m. The unpredictable nature of oil earnings means that estimates for this year are running over a very wide range—£580m to £950m or so—with most analysts betting on a figure of around £750m, including a sizeable element of stock profits and the growing contribution from Sohio, the U.S. company majority-owned by BP.

The shares are already discounting an excellent 1979. But if, as seems likely, the oil supply position improves, 1980 may not be quite so profitable.

Tea and biscuits

Tea and biscuits were among the more important items on this week's menu of company results with both Brooke Bond and United Biscuits announcing figures. Brooke Bond's interim pre-tax profits, down from £22.2m to just under £18m, are continuing to decline reflecting the collapse in the tea price. But there is a compensation.



This is that the mix of profits is of a distinctly better quality, with a fall in the overseas trading profit being partially offset by an increase in UK earnings, which are expected to advance further in the second half.

United Biscuits came in with a 10.8 per cent rise in 1978 pre-tax profits to £42.2m, which represents a slight shrinking of both margins and pre-interest return on capital employed. The group's hopes of faster growth this year have been to some extent dashed by the haulage strike, and UB is now looking for a fall in first half 1979 profits as a result.

But the prospects beyond the first half seem to be good. UB claims its market share in branded biscuits is rising, while

losses on cakes have been cut and the crisps and snacks business is maintaining last year's gains. Its American businesses are recovering—UB plans further U.S. acquisitions and higher capacity on existing businesses should bring benefits next year.

Norcor wins

The dust at last appears to be settling following Norcor's successful, but at times bitterly contested, takeover of H. & R. Johnson-Richards Tiles which controls around 60 per cent of the UK ceramic tile market.

The first meeting between the Johnson-Richards and Norcor directors since Norcor announced it had acquired a 54.4 per cent stake in the ceramic tile concern took place on Wednesday. Mr. Ken Roberts, Norcor's managing director, said that there has been a frank exchange of views but there was no question of Johnson-Richards directors leaving the group.

Mr. Roberts, who was appointed non-executive chairman of the tile group, said: "The meeting was very amicable and I think we convinced the Johnson-Richards directors that the fears they expressed during the bid were groundless."

TOP PERFORMING SECTORS IN FOUR WEEKS FROM FEBRUARY 15

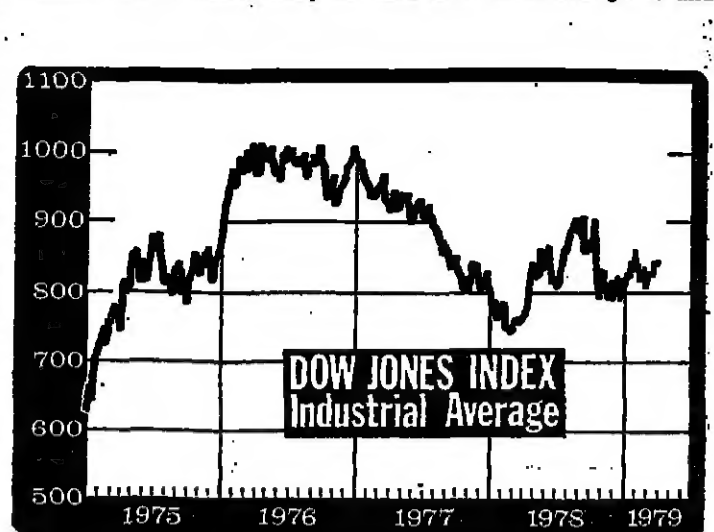
	% Change
Merchant Banks	+22.5
Food Retailing	+22.2
Insurance (Composite)	+21.4
Stores	+21.2
Tobacco	+20.8
Office Equipment	+19.2
Oil-Share Index	+14.5
Chemicals	+9.9
Textiles	+8.0
Mining Finance	+7.3
Household Goods	+4.8
Shipping	+3.9
Toys and Games	+2.7

Secondary come-back

THE DEVOTED reader of this column could be forgiven for believing that the "stock market" is confined to the New York Stock Exchange and that the sole measurement of its performance is the Dow Jones Industrial Average. So for that matter, could the average American. Newspapers and television focus on the NYSE and the Dow as the very pulse of equity trading which is responding to the economic heartbeat of the nation. It is true, the case then the 4.1 per cent economic growth of last year and the 17 per cent climb in corporate profits either did not happen or the system is suffering from worrying fibrillation. The Dow after all, went nowhere last year and is not showing much inclination to plant its flag on higher territory in 1979.

Although the NYSE accounts for more than 80 per cent of trading volume in the U.S., there are, in fact, other stock markets and there is, in fact, a great deal of investment in non-NYSE listed stocks. The potential investor with a few hundred

very much more potent force in the trading of secondary stocks than he is in the blue chip and glamour shares which dominate the NYSE's shop window. These are more the preserve of the institutions, some of which may well contemplate recent developments in the other markets somewhat wistfully because this is where many of

NEW YORK
JOHN WYLES

the adrenalin-releasing capital gains have been made in the last 12 months.

On Thursday for example, the AMEX's market value index struck a new high for the year of 171.65 which was less than 3 per cent short of its all time high of 176.87 established last September. The Dow, however, was some 8 per cent short of its 1978 high of 907.72. The first nine months of last year were a generally rising market for all stocks but the secondaries which dominate the AMEX index climbed an impressive 47.6 per cent while the Dow's high was a relatively modest 22 per cent above its February low. On Thursday, the Nasdaq OTC Composite Index was 25 per cent higher than it was a year ago while the Dow just 11.04 per cent. The comparisons between the secondary and the Dow indices over the past 15 months ceased only to be favourable in the October massacre of stocks last year when the general panic in the financial markets wiped 10.2 per cent off the Dow between October 19 and October 27, compared to 17.3 per cent off the AMEX and 15 per cent off the Nasdaq Composite.

But the secondaries have staged more solid recoveries and the two-tier market, one in

many analysts see the reversal as an indication that painful memories are now fading. It is easily forgotten that the private investor still carries the scars of a six-year deterioration in stock prices between 1968 and 1974 which wiped 41 per cent off the Dow but 75 per cent off some of the secondary market indices.

So the past year or so represents an important come back for secondary stocks which has been fuelled by a greater realisation that many of these stocks were heavily undervalued, selling at good yields and low multiples and with reasonable prospects of capital gain. Some of these, such as the gambling related stocks, have succeeded far beyond an investor's wildest fantasies because of speculative whirlwinds. Others have brought their investors spectacular windfalls because of the takeover movement involving many corporate buyers which have recognised the excessively cheap values of secondary companies in comparison with the replacement value of their underlying assets.

CLOSING INDICES	
MONDAY	844.68 +1.82
TUESDAY	846.93 +2.25
WEDNESDAY	845.37 -1.56
THURSDAY	847.02 +1.65
FRIDAY	852.82 +5.80

MARKET HIGHLIGHTS OF THE WEEK

	Price	Change	1978/79	1978/79	
	Y'day	Week	High	Low	
Ord. Index	510.9	-4.5	535.5	433.4	Fluctuates on bouts of profit-taking
Secs. Index	71.45	-1.35	78.58	64.84	Volatile after sharp rise
ate Inds.	330	+30	375	220	Bid discussions with FMC Corp.
2-American Coal	919	+109	945	424	Cape demand for coal stocks
thnot Latham	174	+21	176	140	Mr. G. F. Lacey acquires 6.2% stake
ord Property	445	+75	480	200	Spec. demand/thin market
lonian Hldgs.	171	+15	173	68	Increased bid from Comet
8 Rose	930	+220	930	401	Buying in nominal market
8 Agency	90	+18	92	38	Speculative demand/thin market
amuel Warrants	230	+178	600	40	Sudden demand in limited market
8 of Fraser	166	+13	177	120	Revised bid hopes
ons Bourne End	140	+22	150	110	Assets revaluation
on-Richards Tiles	157	+27	160	79	MC clearance for Norcor offer
157	+27	159	69		Good results/capital proposals
sh & Universal Invs.	164	+18	164	85	MC clearance of Lonrho bid
ert & Pitt	200	-20	238	128	Profit margins warning
15 (1)	71	+11	71	45	Favourable results
ley Hughes	264	+16	264	176	Good interim results
worth (F. W.)	70	-7	77	61	Profit-taking after recent rise
w	390	+43	390	260	Press comment

U.K. INDICES

	Average	Mar.	Mar.	Mar.
	week	16	9	2
FINANCIAL TIMES				
Govt. Secs.	72.09	72.08	70.03	
Fixed Interest	72.45	72.41	70.12	
Indus. Ord.	509.9	496.7	478.2	
Gold Mines	168.6	161.2	175.4	
De (Ex S pm)	119.9	114.3	119.4	
Dealings mtd.	7,799	6,904	6,488	
FT ACTUARIES				
Capital Gds.	257.53	247.88	237.70	
Consumer	232.29	225.20	217.19	
Cons. (Non-Durable)	242.36	231.99	221.65	
Ind. Group	247.81	237.87	227.30	
500-Share	277.71	267.49	255.71	
Financial Gp.	196.44	190.71	182.46	
All-Share	235.95	246.65	236.15	
Red. Debs.	55.34	54.22	52.72	

Brimming with confidence

STRAINS of three years have disappeared. General has recovered from the struggle which, in 1976, gave it a controlling interest in Union Corporation, and its vast investment in the mining industry has been moving upwards.

MINING
PAUL CHEESERIGHT

d accordingly. The final at 22.6p brings the share for the year to 60 cents, at 45 cents in 1977. General Mining-Union combination is now second most powerful of South African mining houses, surpassed only by Anglo-American Corporation, Anglo-Transvaal Consolidated Investment (Anglo-transvaal) to raise its net income for the six months to December to R21.48m (£12.49m) from R13.35m in the same period of 1977.

Anglovaal raised its interim dividend to 30 cents (17.4p). The 1977-78 interim was 25 cents and total payments for that year were 115 cents.

The group has made it clear, however, that if the growth in profit from the industrial side of the business is to be sustained then cost escalations will have to be re-couped. The main fear is the rise in oil prices consequent upon the curtailment of Iranian supplies to South Africa. The sequence of results from the mining finance houses has helped to give the sector some underlying firmness on the London market, but prices have been held back by the fall in the investment dollar premium. Trading, however, has not been very active and the main excitement this week has surrounded two Anglo-American mines, Vaal Reefs and Afrikaner.

of the white miners. This, it is felt, could make pay negotiations later this year more difficult and also lead to an increase in the Union's pressure for a five-day week so soon after its agreement on an eleven-shift fortnight.

The strikes caught the mining houses at a time when their confidence was running high. General Mining feels that the worst on the rise in costs is over, pointing to the fact that the percentage increase last year declined for the first time in four years.

At the beginning of next year, Deelkraal, the developing mine controlled by Gold Fields of South Africa, should start milling at a monthly rate of 60,000 tons, building up to 120,000 tons a month by December.

Mr. R. A. Plumbridge, the chairman, said in his annual statement that capital expenditure will amount to R17.2m (£10m) in 1979. This will be financed out of existing cash resources—there was a rights issue to raise R47.5m ten months ago. So far R117.1m has been spent on developing the property, including R22.6m last year.

The gold price has moved in Deelkraal's favour since shaft sinking started in 1975, and the firmness of the price especially over the last six months has led a number of companies scattered around the world to dust off plans for bringing mines back to production after closing them down several years ago.

In Western Australia, Kalgoolie Mining Associates (KMA) has been looking at its Fimiston leases. While it does not think that the present level of the gold price will provide an adequate return on capital spent refurbishing the mine, it is prepared to undertake a preliminary development programme lasting a year. The partners in KMA are Homestake Gold of the U.S. with 48 per cent and Kalgoolie Lake View, which takes in Gold Mines of Kalgoolie, Poseidon Investments and Westminster Investments, with 52 per cent. The development programme will be reviewed after a year and if market conditions have improved sufficiently then it will be extended for a further phase. But the first task will be to dry Fimiston out: water has been rising in the old workings since production stopped in February 1976.

on the day of suspension, the shares rose 37p to 287p.

The linking of Vaal Reefs with Afrikaner confirmed what had been widely expected: that Vaal Reefs would play a major part in the mine development. The announcement, when it comes, will probably show that Vaal Reefs will finance a treatment plant at a cost of R80m (£34.8m) and mine the Afrikaner property on a tribute basis, starting about the end of next year.

At the beginning of next year, Deelkraal, the developing mine controlled by Gold Fields of South Africa, should start milling at a monthly rate of 60,000 tons, building up to 120,000 tons a month by December.

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Is your money working as hard as you are?



If you've kept your savings in cash, or simply placed them in something like a straightforward savings account then the answer is probably "No".

The best way your money is doing at the moment is earning interest, and in these inflationary times that really isn't good enough.

What you need is a scheme that gives your capital the chance to grow too.

And that's what the new contracts from GRE Linked Life Assurance Limited are designed to do.

Why should you invest through an insurance company?

GRE Linked Life Assurance Limited is a specialist subsidiary of Guardian Royal Exchange Assurance, one of Britain's largest insurance companies with assets of over £2,500 million.

GRE has over 250 years' experience in using investment skills, as well as underwriting expertise, to fulfil the expectations of policyholders. And it is this investment experience that lies behind these three new contracts.

Simple Premium or monthly saving?

Which is right for you?

The three contracts are designed to suit everyone from the investor who can pay a large single premium to the person who wishes to save a small sum every month out of income.

The Capital Builder is a regular savings policy with a minimum premium of £10 a month. You can keep the contract in force until you are 70 or you may cash it in after ten years without incurring any penalty. The High Investment Plan is a 10 year regular investment plan with minimum life assurance protection specially designed for the larger investor. The minimum monthly premium is £20.

While the Investment Bond is a single premium contract enforceable at any time with a minimum original investment of £1,000.

How tax relief helps.

The Capital Builder and High Investment Plan both qualify for life insurance premium relief and this is currently worth about two monthly premiums a year so you get that much more value than the actual cost to you.

Choose your own portfolio—or let us manage it for you.

There are six different portfolios to choose from, all of them handled with the same degree of expertise. If you choose our Managed Portfolio the GRE investment experts are free to spread the investment wherever they feel the prospects are brightest.

Alternatively you can choose an individual portfolio yourself. For example, if you feel that the outlook for property values is promising you can opt for the Property Portfolio. If you wish to look at overseas companies then you can choose the International Portfolio, and so on.

Fixed Interest, Equity and Deposit complete the range of portfolios available.

An important advantage of all the contracts is that you may switch, at any time, from one portfolio to another. And one switch every policy year is free of charge.

An investment you can keep an eye on.

Whichever contract you choose you can keep a close watch on the performance of the unit prices through leading newspapers.

That way you can decide when a change of portfolio might suit you best.

Your investment will go up and down in value from time to time with fluctuations in the market prices of the assets comprising the chosen portfolio. However, the expertise of the GRE investment team offers good prospects for future performance over the years.

How soon can we start to make your money work?

The first thing to do is to complete the coupon below and we'll send full details to you straight away. Then we suggest you discuss your aims with your regular investment adviser or local GRE branch to decide just which contract meets your individual requirements best.

So fill in the coupon today and pave the way for a great investment team to start working for you.

GRE Linked Life Assurance Limited

To Guardian Royal Exchange Assurance, Field Operations Department, FREEPORT, London EC4B 4NY. Please send me an explanatory booklet and a quotation for Capital Builder (minimum premium £10 per month) High Investment Plan (minimum premium £20 per month) Investment Bond (minimum premium £1,000).

Name _____

Address _____

Date of Birth _____

Name of your Insurance Broker/Financial Adviser (if any) _____

(Applicable to the U.K. only) FT 27

GREAT INVESTMENT

YOUR SAVINGS AND INVESTMENTS 2

Despite last year's big improvement in State pension arrangements, many working wives stayed on lower National Insurance. Eamonn Fingleton shows this is false economy

National Insurance: what wives should know

MILLIONS OF working wives are missing out on the savings gain of the century because they are not participating in a State's new earnings-related pension arrangements. They continue to pay National Insurance contributions at the old lower rate for wives—thereby cut themselves off from State benefits. Until 1978 the most important benefit they lost out on was the Age Pension—but this was important for many wives because they qualified for a State's Old Age Pension on their husband's contributions in any case. Now they are missing out on the earnings-related pension benefits which started coming up from last April. They have the right to change to full contributions at the joining of each tax year and clock up benefits in 1978-80 by need to apply to the Department of Social Security on April 5.

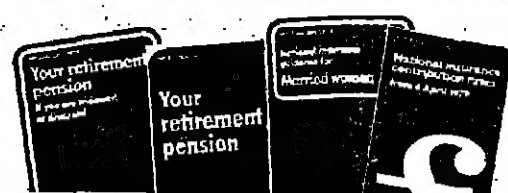
My conclusion—based on what is probably the first authoritative analysis of the new earnings-related arrangements outside the Civil Service—is that most wives over 40 need to collect an unbeatable return from changing up. And more they earn, the more attractive the return is: women with high salaries will get back real money up to four times what they put in. Even the alternative investments—personal pension plans for men with contracted-in employers and additional voluntary contributions to company pension schemes for women with contracted-out employers—fall short of the returns in the State arrangements. The younger you are and the more you pay is, the more private pension arrangements are to beat the State pension. For 40-year-old women earning less than £80 a week, contracted-out employers' plans, for instance, are better with additional voluntary contributions, if these are available. But for 40-year-old men with contracted-in employers, their pay needs to be about £50 a week for investment in a personal pension plan to be a better bet. About seven million wives are on lower contributions at last count—and probably a majority of them would be better off with full contributions. In fact, so many of them failed to change up is a section on the mind-boggling complexity of the State's arrangements. Many wives have been wrongly advised by employers, trade unionists, civil service bureau officers and other advisers, who have failed to understand the State arrangements, to stay on lower contributions.

Here are the main elements of the scheme as they apply to wives in work:

Pensionable pay. The notion of what part of your is pensionable changes year in line with rises in cost-of-living. For the financial year, pensionable is that part of your earnings before tax above £18.50 a week (subject to a cut-off of 5-week for high earners).

Earnings-related pension entitlements. You get earnings-related pension equal to one-eighth of your pensionable pay for each complete year you contribute.

COST OF A YEAR'S FULL CONTRIBUTIONS—AND WHAT THEY BUY



How the earnings-related pension benefits bought with the full stamp measure up—and what you could buy elsewhere. The figures are based on the assumption that inflation is 10 per cent a year. Personal pension plans are the best alternative savings vehicle for wives with contracted-in employers; additional voluntary contributions (AVCs) to a company scheme are best for wives with contracted-out employers.

IF YOUR EMPLOYER IS CONTRACTED IN

	Your weekly pay before tax										
	£30	£40	£50	£60	£70	£80	£90	£100	£110	£120	£135
WHAT YOU PAY:											
Net bill for a year's full contributions	£70	£94	£117	£140	£164	£187	£211	£234	£257	£281	£304
WHAT YOU GET:											
Total value in today's money of the earnings-related pension benefits you buy	£116	£226	£337	£447	£558	£668	£779	£889	£1,000	£1,111	£1,221

BEST RETURN ELSEWHERE:

	Your weekly pay before tax										
	£30	£40	£50	£60	£70	£80	£90	£100	£110	£120	£135
WHAT YOU PAY:											
Net bill for a year's full contributions	£57	£67	£77	£88	£98	£109	£119	£129	£140	£150	£161
WHAT YOU GET:											
Total value in today's money of the benefits you buy	£61	£120	£178	£236	£295	£353	£411	£470	£528	£587	£645

IF YOUR EMPLOYER IS CONTRACTED OUT

	Your weekly pay before tax										
	£30	£40	£50	£60	£70	£80	£90	£100	£110	£120	£135
WHAT YOU PAY:											
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NEW from Allen Harvey & Ross
A High-Yield Gilt & Preference Unit Trust

The recent rise in interest rates makes Gilts and Preference Shares an attractive form of investment for both private individuals and institutional investors alike.

But success in this market calls for a high degree of professional expertise, and the ability to react quickly to a fast-moving market.

The Allen Harvey & Ross Gilt and Preference Unit Trust offers you the twin attractions of a high level of net income, and the best possible degree of stability for the capital invested, backed by close to a hundred years' experience in fixed-interest investment management.

THE TRUST AND HOW IT WORKS

The Allen Harvey & Ross Gilt and Preference Unit Trust achieves its objectives through a careful mix of investments placed exclusively in Gilt-Edged Stock, Preference Shares and short-term money market instruments.

However, should any alteration in current tax legislation make it attractive to the Trust, it is the Managers' intention to invest solely in Gilt-Edged Stock. In such an event the Trust's name would be changed to reflect these circumstances.

In any event, the ratio between Gilts and Preference Shares is constantly under review, with the Trust's objectives of high income and capital stability uppermost in the Managers' minds.

You should remember that the price of units, and the income from them, can go down as well as up. You should, therefore, regard your investment as a long-term, rather than a short-term one.

The minimum investment

The current minimum initial investment in the Trust is £500. Subsequently, additional investments may be made from a minimum of £100.

An Authorised Unit Trust under The Prevention of Fraud (Investments) Act 1958.

COMPLETE THIS COUPON FOR HIGH-INCOME AND CAPITAL SECURITY

to: **Allen Harvey & Ross Unit Trust Managers Limited,**
45 Cornhill, London EC3V 3PB. Registered No. 1405883 (England)

I/We wish to invest £..... / purchase..... units in the Allen Harvey & Ross Gilt and Preference Unit Trust at the price ruling on receipt of this order.

The minimum investment is £500.

I/We declare that I am/we are not resident outside the Scheduled Territories and that I am/we are not acquiring the units as a nominee of any person resident outside these Territories. I am/we are over 18 years of age.

Signature(s)..... Date.....

Full name(s)..... Full name(s).....

Address(es)..... Address(es).....

PLEASE PRINT.....

In the case of joint applications, all holders must sign. This offer is not available to residents of the Republic of Ireland. Date.....

FT/7/8

Managers of the Trust
Allen Harvey & Ross
Unit Trust Managers
Limited,
45 Cornhill,
London EC3V 3PB.
Reg. No. 1405883 (Eng.)
Telephone: 01-623 6314
Telex: 889000

Trustee and Registrar
The Governor and
Company of the Bank
of Scotland, 210 George
Edinburgh EH1 1YZ.

</

Excellent results from Gartmore High Income Trust

Here is the outstanding record of Gartmore High Income Trust as given in the Managers' Report published 15th March 1979.

Income up 14.4%

The income paid for the six months ending 31st January 1979 was 100.00p net per 100 units. This compares with 166.05p net for the corresponding period last year—a rise in net payments of 14.4%.

£69.31 to original unitholders

Original unitholders have received a total of £69.31 gross per £100 invested since the Fund began in March 1975. Estimated gross yield as at 14th March 1979 was 8.86% p.a.

149.3% rise in capital value since launch.

Since March 1975, the offer price of units has risen by 149.3% compared to a rise of 84.8% in the Financial Times Industrial Ordinary Share Index (as at 14th March 1979).

Two ways to invest

You can invest directly in Gartmore High Income Trust or through a single premium bond underwritten by Lloyds Life Assurance Limited.

Full details are available on request—contact A C Wren on 01-283 3531, or complete the coupon below.

To: Gartmore Fund Managers Ltd., 2 St Mary Axe, London EC3A 8BP. Tel: 01-283 3531.

Please send me:

☐ The latest High Income Trust Managers' Report

☐ Details of the Gartmore range of unit trusts

☐ Details of your single-premium bond

Name _____

Address _____

Signature _____

Stamp: GARTMORE £69,000,000 under Group Management. Not applicable to Eire. Member of the Unit Trust Association.

YOUR SAVINGS AND INVESTMENTS 3

William Hall looks at a little-known City capital market

Fireworks from water companies

TO AN OUTSIDER it must seem strange that shortly after the Government issued a 1987 stock with a 13½ per cent coupon, the Lee Valley Water Company (hardly a household name) can pop up with a virtually identical issue (in terms of maturity) carrying a 8 per cent coupon and the issue be heavily oversubscribed.

But that is what happened earlier this month and Lee Valley's 8 per cent redeemable preference stock 1986 shot to an almost immediate £31 premium to the £10 partly paid price. Of course the coupon on preference shares is gross, while on gilt-edged it is net. Even so against Portsmouth 7 per cent debentures yielding 13.7 per cent last week, Lee Valley (yielding 11.8 per cent to redemption) does not look particularly cheap to the ordinary investor.

In the old days it used to be up to the local cattle auctioneer to sell water company stock to local townfolk. But those days are over and now the main applicants at the tender are big City institutions. For insurance companies, banks, discount houses, etc., that have to pay corporation tax there are big advantages in holding water company issues producing franked income.

Instead of the near 12 per cent approximate return to an ordinary investor, the effective rate of return to an institution that can take advantage of franked income is nearer 17 per cent. If a bank borrows one year money at 11 per cent say, it is making a very handsome return on an asset yielding 17 per cent effectively.

Consequently, there is a steady trickle of waterworks issues every year and overseeing the vast bulk of them is Acton Pierce, senior partner of stockbrokers, Seymour, Pierce and Co. Mr. Pierce is the doyen of this little known sector of the stock market. His father and his grandfather were in the business before him.

However, nationalisation put

an end to that and now Mr. Pierce, raises the vast bulk of the money for Britain's 28, fiercely independent, water companies that supply roughly a quarter of the country's water. In 1977 he raised £36m and £22m in 1978.

Nationalisation is not the sort of thing one talks about in front of Mr. Pierce who believes the independent waterworks are far more efficient than the local authority controlled operations. He remembers with pride the fact that during the great drought of 1974, none of his clients ever had to restrict their supply, unlike some people he could mention.

The small investor would be ill advised to chase after new issues of water company redeemable preference stock and the companies themselves generally find new issues of debentures or ordinary shares too expensive. However, if investors are prepared to hunt around the 400 quoted water company issues (nominal value £350m) and sort out the perpetual debentures from the redeemable prefs, etc., there are some profitable investment opportunities.

Take for instance Tending Hundred Waterworks 2.5 per cent preference stock which last changed hands at £2.30. There is virtually no stock about but it yields close to 20 per cent at current prices. More marketable stocks such as the £6m Essex 10 per cent debenture 1992, yield 12.8 per cent to redemption, roughly half a point over a similar industrial debenture, and nearly £2 above the comparable gilt.

Because of the demand for franked investment income water company preference stock normally yield less than debentures although the security is not as good. In addition it is possible to find cases where irredeemable debentures yield less than redeemable debentures. As one jobber put it "there is neither rhyme nor reason to this market." It pays to hunt an und.

WATERWORKS OFFERS			
Authority	Stock	Yield	
N. Surrey	3.5% Ordinary Shares	15.2%	
Sunderland	7.5% Debentures '91-93	14.2%	
Essex	4.0% Perpetual Debenture	14.0%	
Portsmouth	7.0% Debenture '84-86	13.7%	
Lee Valley	8.0% Redemption Pref. 1986	11.8%	



Pierce—and Pierce: doyen of the waterworks market.

Dividend with a difference

PENTOS, a small conglomerate with interests in greenhouses, publishing, engineering and construction, has joined a select band of companies which have taken action to make their shares more attractive to the tax-burdened small investor. Its management has decided to give shareholders the option of holding deferred shares which earn no dividend. Rather than create a stream of heavily taxable income, such shares reward the investor with capital appreciation.

Croda International, the chemical company, led the way last September. It made a 1-for-10 scrip issue of deferred shares which do not rank for dividends until 1988. These could either be retained by the investor, in which case the capital worth and dividend stream of his holding remained intact. Or they could be sold in the market, at a discount to the normal share price of about 50 per cent, to investors who wanted to see the deferred share price "catch up" with the

SHARES

NICHOLAS COLCHESTER

normal share price over the next ten years.

The idea has since been adapted by other companies—Hunt and Moscrop, Costain, Hunting Associated, Suter Electrical, and now Pentos.

The Pentos scheme contains refinements which develop the advantages for shareholders further. The Pentos scrip issue gives existing shareholders the option of acquiring either one additional 10p ordinary share for each share held or a 20p deferred share which will not receive dividends until 1989 and will then be convertible into two Pentos ordinary.

The choice means that those who want dividend-paying shares can have them whereas those who don't can convert one-half of their holding into

deferred shares. These will start with a market price roughly equivalent to the ordinary shares but will then appreciate towards twice the ordinary share price as 1989 approaches. Pentos has, however, set a limit to the number of deferred it will issue in this way.

The sweetener is that Pentos can pay a fatter dividend to those who want dividends without breaching dividend restraint. The Treasury is only concerned that the total amount of dividend paid by any company grows at only 10 per cent a year (except under certain circumstances). This pool of dividend money can thus be shifted over to the reduced proportion of the Pentos equity which will be dividend bearing.

If the full allowance of deferred shares is applied for, this will boost the allowable dividend payment by 25 per cent, quite apart from the normal yearly increase which Pentos management will negotiate with the Treasury.

Riding the boom

THE CURRENT boom in the metal markets has encouraged the Wardgate Commodity fund to seek a wider range of investors.

Wardgate claims it is one of the few offshore commodity funds that uses the whole range of commodity market trading opportunities. Not only does it buy the actual physical commodity—notably metals such as kruggerands and copper—but it also deals extensively on the futures markets and in commodity options. It does not, however, deal in commodity company shares since it feels there are problems in attempting to trade in equities and commodities at the same time.

Amongst the advantages cited for commodity market trading is the low dealing costs; closer bid and offer prices; bigger

COMMODITIES

JOHN EDWARDS

TAKING STOCK OF GILT FUNDS

The performance of major offshore-based gilt units trusts from December 31 last year to March 3. Figures are after-tax and are stated before tax—which may be payable on both capital gains and income.

	Capital performance %	Income paid %	Total return %
Allen Harvey & Ross Gilt	+2.8	2.5	+5.31
Clive Gilt	+7.1	2.8	+9.9
King & Shaxson Gilt	+3.7	3.0	+6.77
Brown Shierley Sterling Bond	+0.6	6.0	+6.58
Quest Sterling	-0.7	6.4	+5.67
Sve & Prosper Sterling	+5.5	—	+5.53
Schwager Gilt	+0.9	3.1	+4.05
TSB Gilt	+3.9	—	+3.92
GT Anchor Gilt Edge	+0.5	3.2	+3.69
Brigantia High Interest	—	3.1	+3.12
Gartmore Gilt	—	3.0	+3.03
Barclays Overseas Income	-3.4	5.7	+2.32
Arbuthnot Government Secs	+2.9	6.1	+9.01
Tyndall Gilt	-0.9	2.8	+1.89
Lloyds Bank Gilt	+0.6	—	+0.60
FTA GOVERNMENT ALL STOCKS INDEX	+2.3	1.7	+4.01

Money Monitor

Gilts by association

THE GILTS boom has caught many gilt unit trusts napping.

A survey last week showed that only six of 18 income-oriented gilt funds managed to beat the total return on the FTA Government All Stock Index in the last two months.

The best performer by a long chalk is run by Allen Harvey and Ross, the City discount house. Its 11 per cent return reflects an aggressive dealing strategy.

Michael Allsopp, chairman of Allen Harvey's unit trust company, points out that the managers think nothing of being full invested in the morning and fully liquid by the afternoon.

Gilt trusts run by Target and Abbey Life were not included in the survey because they are British-based and so, therefore, for tax reasons, concentrate on capital growth. With rises of 6.5 per cent at Target and 8.2 per cent at Abbey, they seem to be doing their stuff.

But given the generally disappointing performance shown in the table, should average intelligent investors need to invest in gilts via a unit trust at all? The dealing costs of getting in and out of a gilt fund range from 13 per cent upwards—at least double what it would probably cost you to invest direct.

The table was compiled by guess who?—Allen Harvey and Ross. It is hardly a coincidence that the company is now launching a second gilt fund—this time one based in Britain.

The hope is that the Chancellor will this year change the tax rules to make mainland-based gilt unit trusts more attractive.

Diamond danger

American investors have been gripped by diamond fever—and are paying the price. Diamond investment companies have mushroomed to cope with the demand—but in many cases their salesmen are not particular about how they trap their prey.

How big is the danger in Britain, where the diamond investment bandwagon is just starting to roll? Not great if investors do their home work.

The case for diamonds as an investment is plausible—values have increased with remarkable consistency, the market is a stable one, diamonds do hedge against currency fluctuations, prices are not tied to any one economy.

But the problem is that diamonds are specialised. And people, who know little about diamonds, are vulnerable to those who will always be there to take advantage. If you were to buy a diamond described as "white, pure, do you know that it could be any of 80 different grades by colour and clarity alone?" The difference in value between top and bottom

is about tenfold—and a poor cut could drop the value by another 20 per cent.

So how do you size up a diamond?

Here are some points to check: Certification. Are the certificates that accompany diamonds up to top international standards, and are they fully recognised in the industry? The top laboratories are the Gemological Institute of America in the U.S. and the High Diamond Council and European Gemological Laboratory in Europe.

Pricing. Does the selling company provide a published price list and are earlier copies available for comparison? Do prices tie in exactly with the system of grading?

Liquidity. There is no generally available "secondary" market for investors to sell into. Therefore, investments are almost invariably realised through the original source of purchase. A vague promise of "assistance" with selling is not enough—an investor must be able to liquidate on the basis of current published prices less a margin known in advance.

Reputation. Is the investment company really qualified and does it have a diamond industry background.

18 Startling predictions for Investors

- Gold will trade at over US\$300 per oz.
- Commodity prices will explode!
- The US will move into a recession—taking the rest of the world with it.
- Property market to fall

These are just four of 18 amazing profit-making predictions, prepared by the World Money Analyst team. Full details and substantiating evidence is contained in their "Outlook for 1979" which was prepared on 18 December 1978. Many of their predictions are already coming true.

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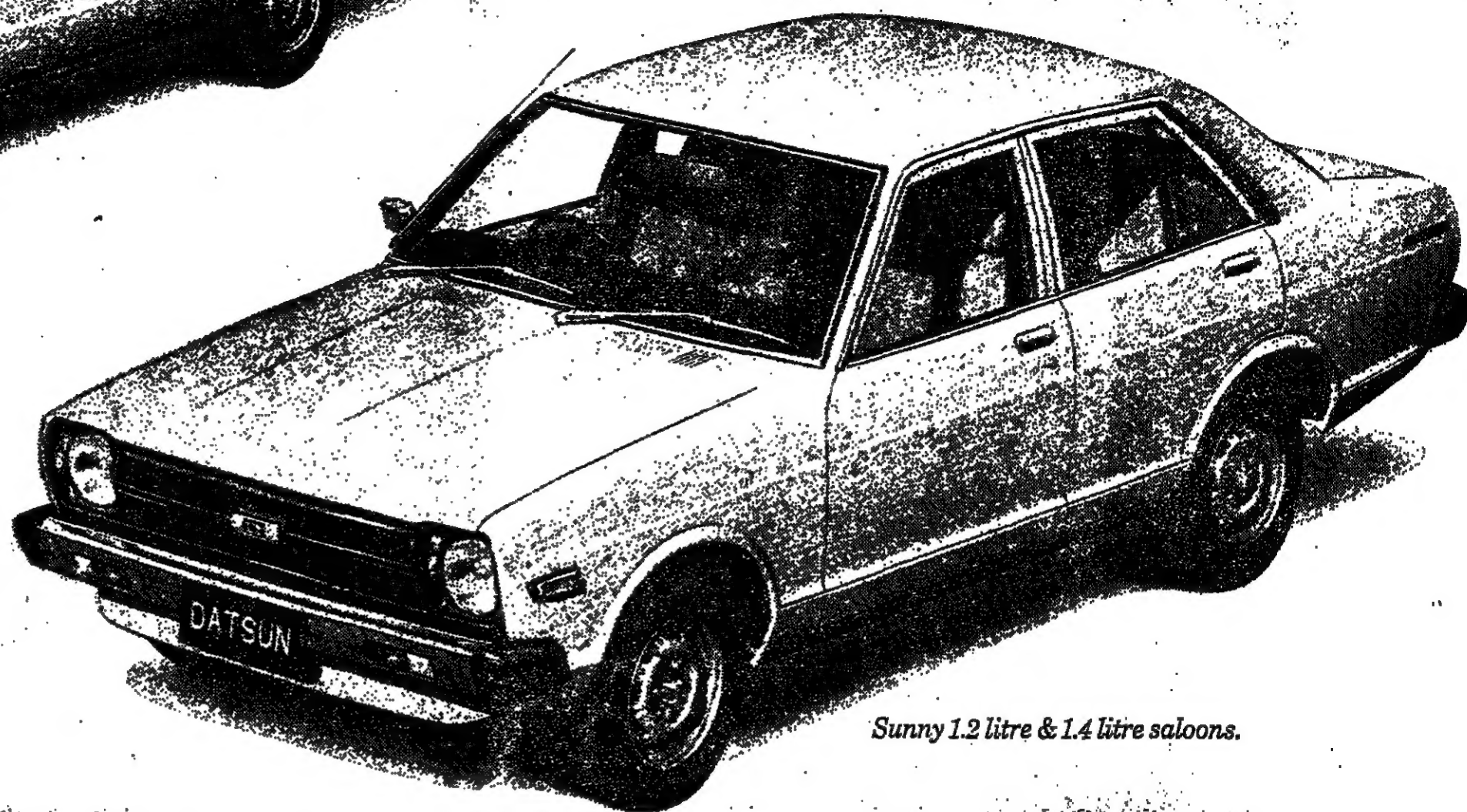
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For example, in the medium range of family cars – Sunny, Violet and Bluebird – there are 15 different models, with 2 and 4 door saloons, coupés, hatchbacks and estate cars. There's also a choice of engine sizes from 1.2 litre to 1.8 litre, and gearboxes with four speeds, five speeds or automatic.

And all of them are extremely well equipped, with items like tinted glass, reversing lights, power assisted braking, heated rear window, intermittent and wash/wipe, quartz clock, reclining front seats with adjustable head restraints, handbrake and choke warning lights, etc.

Whether you want to cruise economically at over 40 miles to the gallon* or drive a car that is capable of 100+ miles an hour, there's something for you in the Datsun medium range of reliable cars.

This is the line up:–

- * There are six models in the New Sunny range of 1.2 litre and 1.4 litre cars – 2 door and 4 door saloons, manual and automatic, a spacious five door estate and the delightful hatchback coupé. The 2 door GLS saloon is priced at £2899.88 and the estate at £3185.35 including special Car Tax, V.A.T., seat belts and door mirror.
- * The 1979 Violet range has four versions – a 1.4 litre 4 door saloon, a 1.6 litre saloon with either manual or automatic gearbox and a 1.6 litre hatchback coupé, all of them very fully equipped, the coupé even having a five-speed gearbox. Prices start at £3228.65.
- * In the Bluebird range there are five versions, a 1.6 litre saloon, a 1.8 litre saloon with manual or automatic gearbox, a roomy 1.8 litre estate car and a sporting 1.8 litre coupé. Bluebird prices start at £3470.84.

Take a look at the Datsun medium range at your Dealer soon. There isn't another car that can match a Datsun for a combination of value for money, equipment, performance, economy of operation – and reliability.

*Sunny 1.2 litre saloon: Urban, 34.0mpg or 8.3 litres per 100K; 56mph/90kmh, 43.5mpg or 6.5 litres per 100K; 75mph/120kmh, 30.1mpg or 9.4 litres per 100K.

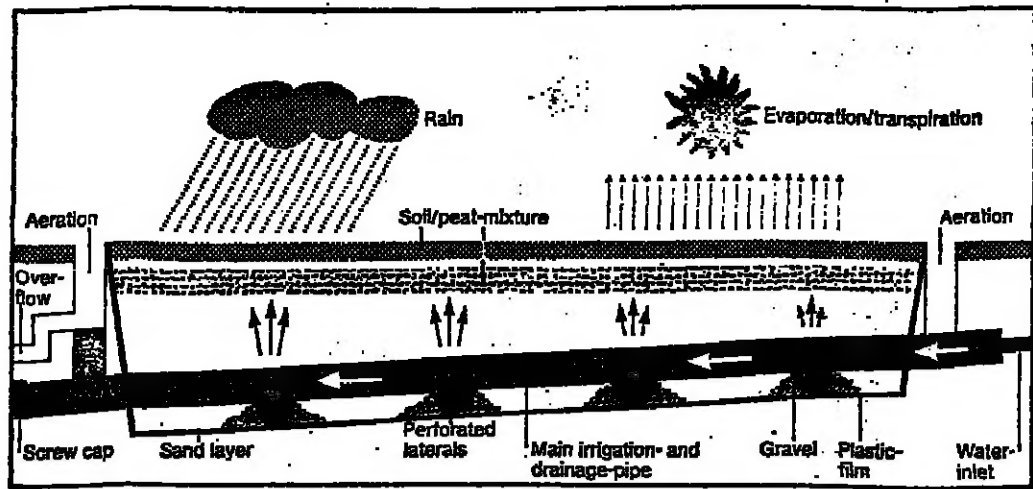
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*Towards
the
superlawn*

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ARTHUR HELLYER

drainage system for this reservoir and an irrigation system when extra water or nutrients are required. The water level in the reservoir can be regulated and is, in practice, adjusted to suit the seasonal requirements of the grass. It is

Yet another advantage claimed for Cellsystem, the trade name given to this patented method of turf culture, is that the grass itself roots very rapidly and deeply since it goes in search of water rising from below and does not spread out near the surface as with overhead irrigation. Roots are said to extend by as much as 2.5cm

Inevitably cost of installation is fairly high but precise costs will vary from site to site according to cost and availability of labour and materials, particularly land of suitable quality and particle size. Figures that have been quoted to me as average are £5.00 to £8.00 per square metre for lawns or between £80.000 and £70.000 for a football field. Against this must be set reduced cost of maintenance.

The parent company behind this interesting development is Cellsystem, Zofingen, Switzerland and the English concessionaires are Chipman, Horsham, Sussex.

But the form book gives neither side much advantage. Both crews have shown little real lustre during their past two weeks on the Tideway, with neither rowing a full-course trial, although this does not decry their courage or determination. Cambridge has had some sickness to contend with. Each crew has four former Blues, with those in the Oxford boat all previous winners, including three from last year's crew. Both crews have weighed in at an average of 13 stone 4 lb, so neither has a weight advantage.

GOLF
BEN WRIGHT
MIAMI, March 16.

Obviously, life at the top is pleasant for the elite, who are not subjected to the week-by-week grind of Monday's pre-qualifying round, and the top 60 largely make a very good living. But the threat of illness or injury still lurks darkly in the wings, even for the most successful. For instance, I met the current U.S. PGA champion,

In fact, Mahaffey has not played since the Bing Crosby Pro-Am four weeks after his initial loss, because, in playing out of the dreaded ice plant where he suffered a stress fracture in the back of his left hand, and could be out of the game indefinitely. Three different doctors have inspected the hand, and each one has proposed a different course of action.

Meanwhile, the thoroughly confused Mahaffey cannot even pick up a golf-club in his left hand, let alone swing it. Of course, John has already banked over \$50,000 this season; so he is hardly on the verge of losing it. But it is a hellish worry not to know when he will be able to earn money again, except by making what I know to be most entertaining speeches.

But how is life at the bottom

Needless to say, this young student was to turn professional without delay — and then nothing. He is one of hundreds who has totally failed to make his mark on the professional tour, and the only reason I cite him as an example is that on Monday morning at Doral Country Club he scored 5 under par 67 to lead the 34 qualifiers who joined the rest of the field for yesterday's opening round of the \$350,000 Doral-Eastern Open.

We had lunch together and Fleisher, who is 30 years of age, made no secret that he was disappointed in coming for the tour.

After eight years on the tour, he possesses "almost no money at all, and told me quite frankly that the game has worn him down by some 20-lb. in weight. Last summer, he turned his back on the game for three whole months, but could not resist the lure of the tour, and returned to it in October. Last year, he won the \$38,471 while at the top of the list Tom Weiskopf was a record by winning \$362,429. Fleisher, as most golfers will tell you, reckons he needs to earn \$35,000 a year just to break even.

But the form book gives neither side much advantage. Both crews have shown little real lustre during their past two weeks on the Tideway, with neither rowing a full-course trial, although this does not decry their courage or determination. Cambridge has had some sickness to contend with. Each crew has four former Blues, with those in the Oxford boat all previous winners, including three from last year's crew. Both crews have weighed in at an average of 13 stone 4 lb, so neither has a weight advantage.

BOAT RACE

MICHAEL DONNE

who have raced over that bleak four miles or so of water know only too well what the wind can do when gusting stuffily against an incoming stream. The water whips quickly into waves that can wreck the smooth blade-work and knock the stiffest and staminia out of the fittest oarsman."

On the other hand, a smooth and smiling waterway — and that has been known to occur occasionally in the Boat Race —

MICHAEL DONNE

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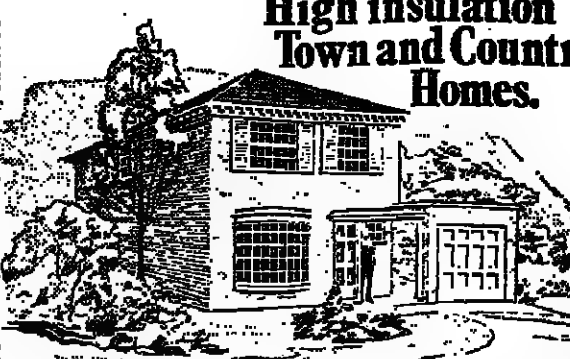
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PROPERTY

Plymouth ho!

BY JUNE FIELD

IN HIS poem *The West-of-Wessex Girl*, Thomas Hardy revealed his great affection for Plymouth, lamenting that he and his wife Emma were never there together:

*As phantom draws me by the hand
To the place - Plymouth Hoe -
Where side by side in life, as planned,*

We were never to go!
Because it was the base of Elizabethans like Drake, Raleigh, Hawkins and Gilbert, quite naturally the city doesn't let you forget its historic connections. It was from the Hoe that Sir Francis Drake played his famous game of bowls in 1588, before setting off to dispatch the Spanish Armada, and the Pilgrim Fathers set sail for the New World from the Mayflower steps in 1620. But it is all done in restrained, tasteful fashion, and the new buildings that replaced the old destroyed in the war, are pleasingly low-key, too.

The whole of the shopping area, the Drake Circus Group, is new, completed some seven years ago, an attractive pedestrian precinct. If you haven't been to Plymouth for some time you will be pleasantly surprised by its elegant air of well-being.

A government-assisted area for new employment, a large number of new manufacturing industries have settled in the

area, from Clark's shoes to Wrigley's chewing gum, and the city wants more. Serious inquirers should write to Graham Jones, City Estates Surveyor, Civic Centre, Plymouth, for a copy of their handsome booklet (it has a replica of the Golden Hind on the cover), *Plymouth - Location for New Industry and Offices*, which also includes a useful selection of housing. For a free list of members of The Plymouth Area Surveyors and Estate Agents' Association, send s.a.e. to Plymouth Marketing Bureau, Civic Centre, Plymouth, or 25p for the colourfully illustrated Plymouth Guide in English and French.

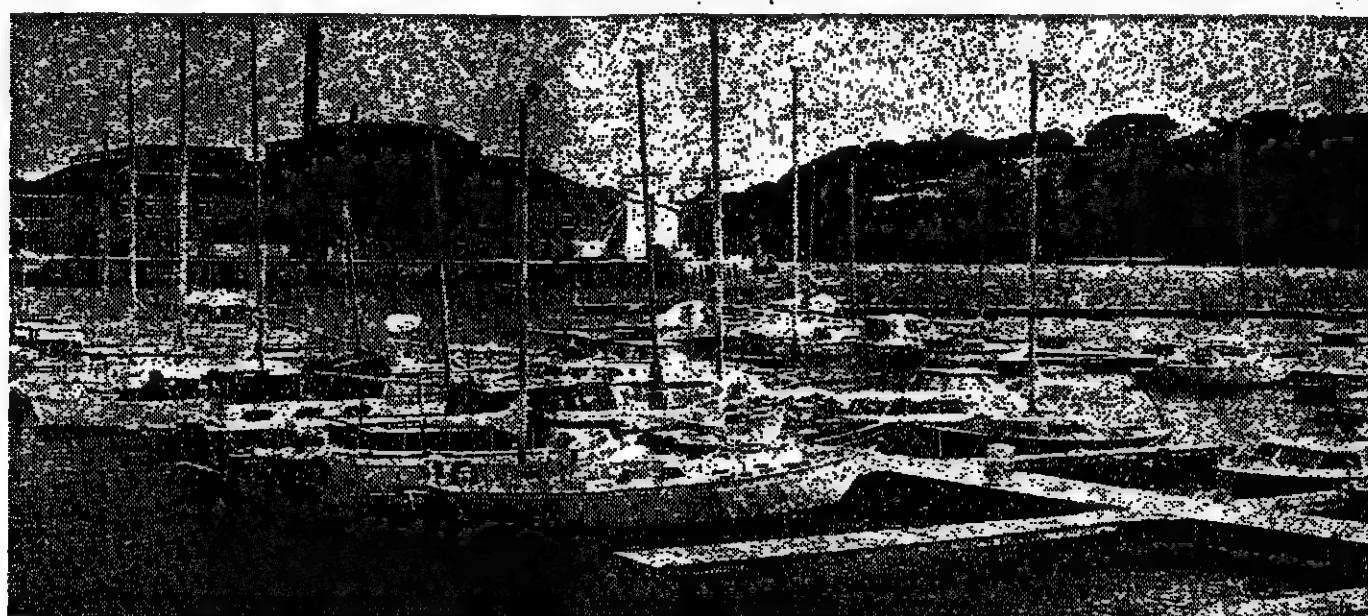
Access to the West Country, weather and industrial disputes permitting, has improved enormously as I found on a recent visit. It's an hour's flight Gatwick to Plymouth, and you can cross to France by Brittany Ferries, Plymouth to Roscoff. British Rail's Motorail service is London to Plymouth and Penzance - you drive the car on the train and ride in sleeping cars by night or coaches by day - and BR's Inter-City 125 high speed trains, the world's fastest diesel rail service, are scheduled to operate between London, Devon and Cornwall at the end of this year.

Special low-price weekends of travel and accommodation are on offer until May 14 - details from your local railway station, or send s.a.e. to Press Office,

British Rail Western, Paddington Station, London, W2. Similar information from Michael Weaver, West Country Tourist Board, Trinity Court, Southernhay East, Exeter, or send 25p for the useful *England's West Country* booklet. An excellent new book if you are thinking of settling in the area is Denys Kay-Robinson's *Devon and Cornwall* (John Bartholomew £4.95).

The late Francis Chichester chose Plymouth as a fitting-out base and departure point for his exploits, so naturally the city has a full quota of yachting and sailing clubs. The two principal marinas are the Mayflower Marina, which has a block of flats, Ocean Court, backing on to it, and Sutton Harbour, from whose sheltered waters those Elizabethan seafarers set sail, caters for everything from cargo boats to fishing trawlers.

With the vulnerability of Britain's coastal defences from Elizabethan times throughout the Napoleonic Wars to the end of the 19th century, a nest of coastal batteries was built to defend the Plymouth area. Fort Picklescombe in Cawsand Bay, which still bears traces of its 1859 construction when a coastal battery was built in granite blocks with heavy steel-clad gunshields to ward off any invasion has been converted to 103 apartments. Flats on the lower floors were formed by



The Mayflower Marina, Plymouth, has Ocean Court, a modern block of flats backing on to it. Enquiries Plymouth Marketing Bureau, Civic Centre, Plymouth, who will send (for s.a.e.), a free list of estate agents who belong to the Plymouth Area Surveyors' and Estate Agents' Association.

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TRAVEL

1 rush to the Manhattan tables

EGON RONAY

HERE IS quite a boom in New York's high class restaurants. Enough even to impress cautious leaders of the industry. Last year they say, was the best year in living memory. There is much talk of need for hotels, especially in the city class.

The first sign of confidence for the New York City's future is the heavy over-subscription of the City Bonds issue, to be part of the same pattern. The mood is decidedly bullish.

Entertaining amounts in estimated 75 per cent of lunch turnover at better restaurants—average spending £15 a head—and about 20 per cent at dinner. The Ken-

Administration's £12.50 per person for expense tax deduction proved to be "catastrophic," as the industry it, and was quickly withdrawn. President Carter's policy motivated slogan of the "Marlboro lunch" and the subsequent upsurge has not only been out, but is contradicted, the better places, by higher prices of white wine and Perrier.

inqueting, conferences and "entions" are an even more important contributor to business in almost all New York than they are in London.

rather, if lesser, reason for boom is an unprecedented rate in eating out which New Yorkers, unlike Londoners, can afford, as a matter of

ine, often twice a week. For the "Daily News," a daily with a mass readership, three writers on restaurant and it is not exceptional for a popular newspaper to 20-30 pages a week to the set of food.

orge Lang, one of America's most restaurant consultants, noted: "Restaurants have of age and have grown self-confident; competition is relaxed. There is less

need to be way-out and eccentric," he told me. "But nearly all Americans still think they could run a restaurant." One of the leading catering colleges for chefs, The Culinary Institute of America, has 84 chefs-instructors, and turns out some 1,400 graduate cooks a year, after five terms (at \$840 per term, plus extras). At least 25 per cent of the graduates are women.

I was surprised to find such a high degree of deference, in addition to skill, in the best places, despite strong catering trade unions and very high earnings. Some successful waiters can take home £200-£300 a week, which is why it's difficult to find experienced, young managers as they earn less. Head chefs are paid £15,000-£25,000 a year, uniformed staff in good hotels £6,500-£8,000.

It is worth noting that New York's best and most prestigious hotel, the Pierre, is British owned (by Trust Houses Forte) which is also building the Plaza of the Americas, designed to be the hotel in Dallas.

My old axiom that the best restaurants are personally run by the proprietor, is totally true of Paris, partly true of London and, with notable exceptions, largely true of New York.

My list of outstanding establishments for their cuisine and suitability for entertaining must, not for the first time, start with the Four Seasons (89 East 52nd Street, tel. Plaza 4-0494).

Their excitingly grandiose Pool Room is unfaded and effortlessly sophisticated, with excellence in cuisine and expertise in wine. The celebrated and rich are a dime a dozen. The dignified and less expensive Bar Room, a status place for lunch, offers mainly charcoal-grilled fare to the powers of the publishing, advertising and magazine world.

One of my favourites (where Salsador Dali eats at his regular corner table), is Laurent (111

East 56th Street, tel. Plaza 3-2729). It is a "clubby" wood paneled, spacious room, with a good cellar and service so professional that even the petite marmite is put together at the table by slicing the boiled chicken and beef from a panoply of copper dishes (not the Bay scallops and oysters à la neige to be missed).

The Palace (420 East 59th Street, tel. 355-5150) capitalises on its reputation as being the world's most expensive restaurant.

His former chef struck out on his own very recently at Claude's (1949 Lexington Avenue, tel. 734-9430) the new rage of New York, where 2-3 weeks' advance booking is necessary. The creative excellence of most dishes is an eye-opener, but do not choose the chocolate soufflé or their rutilant sole. Alas, the service is badly disorganised: allow three hours for the reasonably priced dinner.

Le Chantilly (108 East 57th Street, tel. 351-3831) is smart enough even Henry Kissinger (who sat at a neighbouring table), rather conventionally both in decor and classic French cooking. But it's certainly suitable for stylish entertaining.

The spectacular Windows-on-the-World, on the 107th floor of the World Trade Centre (tel. 838-1111) sustains the exceptionally high standard which I first experienced on its opening day three years ago. Reasonably priced, it can also reach unexpected heights in its 18 private banqueting rooms, where, in January, my Guide had the New York launching (in a room that was noticeably swaying in the 40-mile wind).

The useful "Hors d'Oeuvre" is open all day, and has dancing



Egon Ronay

to a trio at night. Wines comprise a few fabulous offerings from California.

The glitter and glamour at the small La Folie (21 East 61 Street, tel. 765 1400) cost £1m, understandably so when you look at the dazzling malachite and marble. A smart meeting place is their Caviar bar (£25 for two for Champagne and a choice of four kinds of caviar).

A discotheque starts at 10.30. Intimate, select and very well run is the Café Pierre (at the Pierre Hotel) (Fifth Avenue at 41st Street, tel. 838-8000) open from noon to 12.30 a.m. Good cuisine includes a long-standing tradition: a daily curry by an Indian specialist. A trio plays from 8.30 to 12.30.

Crammed and much used for business lunches is the small but good Le Provençal (21 East 82nd Street, tel. 8-4248) where one can limit oneself, for example, to a large salad and a cheese soufflé (their speciality), both outstanding.

Finally, a few second-hand, but reliable recommendations I had not yet tried: Lutèce (249 East 50 Street, tel. 752 2225), classic French; Peter Luger (178 Broadway Brooklyn, tel. EV-7400) a steakhouse in Brooklyn; the Quater Bar at Central Station (tel. 532 3888) (Gael Greene, New York's foremost restaurant critic, praised it to me highly); Le Cygne (53 East 54 Street, PL-5841) and La Grenouille (13 East 33 Street, tel. PL 2-1485), both traditionally French, and the Chinese Flour Drum (856 Second Avenue, near 46th Street, tel. 697 4250).

Your Weekend in Austria 27.25, Belgium 58.75, France 8.50, Italy 1.80, Greece 72.50, Spain 139.75, Switzerland 3.40, U.S. 2.025. Source: Thomas Cook.

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Sounds of summer

THE TOURIST authorities in almost every country in the world would love to be able to claim that each period of the year can conjure up its own varied delights and Austria is certainly fortunate in enjoying a virtually year-round tourist season. Winter sports give way to the glory of spring in the valleys and, as the sun strengthens, the mountain slopes, where wild flowers bloom extravagantly, become once again carpets of vivid and variegated green.

In spite of a still somewhat unfavourable rate of exchange, Austria's excellent inclusive arrangements are available. If you feel like exploring some of the enchanting but off-the-beaten-track villages by car, countless small guesthouses provide bed and breakfast in always scrupulously clean rooms and, leaving around 23 per night, you will certainly experience that secure sense of well-being summed up in the almost untranslatable word "Gemuetlichkeit".

The blaze of colour on the balconies of the houses, ornately bedecked with hanging baskets of geraniums and petunias that last all summer long, enhances the natural beauty of the mountain scenery. Every taste is catered for, whether you plan to walk in the clear mountain air along miles of clearly marked paths and trails, linger at a lakeside resort or explore all that Vienna has to offer.

Sovereign Holidays give you a chance of savouring Vienna with a series of weekend breaks, leaving London on Friday and returning on Monday by scheduled air, at prices from £110 dependent on departure dates. Their bed-and-breakfast arrangements include private facilities.

Thomson Holidays include several Austrian destinations in their "Small and Friendly" brochure and, while many are based on bed-and-breakfast, they also quote optional supplements. If you wish to get right away from it all, a far more holiday near still in the Tyrol, with departures from either Gatwick, Newcastle or Man-



Muttern in the Tyrol

chester to Munich, cost £124 for a high season 10-day holiday (July 13-September 2). There is a supplement of £1 per person per day for half-board and £2 for full board.

The Hotel Vicky, in the attractive little village of Niederau in the Wildschönau Valley, has some adjoining chalets and, with mid-week departures from Luton or Gatwick to Munich, a 14-day bed-and-breakfast holiday in mid-June is listed at £145. A daily supplement of £2

is very much the centre of village life.

It is a pleasant and easy bus ride into the lovely provincial capital of Innsbruck or, in the opposite direction, you drop right down into the valley at the strangely enclosed village of Nassereth before crossing over the Fern Pass to Lermoos and Ehrwald at the foot of the Zugspitze which forms the boundary between Austria and Germany.

In early June Blue Sky, part of the British Caledonian Group, offer a seven-day holiday with full board, flying from Gatwick to Munich for £141. (Onward transport is included in every case.) Children's reductions vary according to departure dates.

Nassereth is also one base on a Cosmos Tyrolean Valleys coach tour. After crossing over from Dover to Ostend, you travel on by coach through Belgium and the Rhineland. On this 10-day holiday, seven nights are spent at the Hotel Post in Nassereth where there is a small heated swimming-pool. Twin-bedded rooms have private facilities and all meals are included from dinner on the first day to breakfast on the day you return. The high season price is £119 and no overnight travel is involved.

AUSTRIA

PAUL MARTIN

provides dinner in the hotel. There are some superb walks in the Wilder Kaiser mountains.

It was while spending a summer holiday at the Hotel Tyrol at Obsteig that I first learnt how much territory you can cover if you dislike organised excursions and get hold of a timetable of the extensive network of postal bus services.

Obsteig is tiny and the hotel, with both indoor and outdoor swimming-pool, solarium and sauna and a splendid biereker,

is very much the centre of village life.

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Inghams are this year featuring a holiday in Carinthia based on a lakeside resort where your peace will not be disturbed as powered craft are banned. A week's holiday, flying from Gatwick to Ljubljana on Saturdays and with full board at the Hotel Obir, costs £183.

Further information is available from The Austrian National Tourist Office, 80 St. George Street, London W1.

ADDRESSES: Austrian Airlines, 50-51 Conduit Street, London W1K 0NP. Blue Sky, Blue Sky House, London Road, East Grinstead, W. Sussex RH19 1HU. Cosmos Holidays, 1 Bromley Common, Bromley, Kent BR2 9LX.

Inghams Travel (also Tyrolean Travel), 329 Putney Bridge Road, London SW15 2PL. Sovereign Holidays, PO Box 410, West London Terminal, Cromwell Road, London SW7 4ED. Thomson Holidays (also Small and Friendly), Greater London House, Hampstead Road, London NW1 7SD.

Winter sports and snow reports are on p. 14

TRAVEL

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FASHION

Times
and
places

BY ARTHUR SANDLES

MEN'S clothing, perhaps more than women's, is a contextual affair. Last week I sat in a restaurant in Denver, Colorado, a city noted for its access to the mountains, its gentle ease of life, its smog and its overcrowded airport, rather than its fashion consciousness. In my group I was already the oddball, in London-styled blouson and narrow legged heavy cord (Marks and Spencer) jeans. But my companions were to have a greater shock.

Into our circle came the delegate from New York, a carefully coiffed, immaculately clothed character with the collar of his unlined jacket trendily upturned, his regulation scarf casually draped across his shoulders and his trousers dutifully tapered towards the ankles. In a world where hold cheek jackets still have footballers (U.S.) shoulder pads in them, and where a four inch collar is narrow, he was somewhat provocative. Inevitably the sexual nature of this oddity came under immediate discussion—speculation which was rapidly proved unjust by the traditional ways of his apres ski activities displayed over the weekend in ski resort discotheques.

The point is that he would not have looked unusual in London or Manhattan, and would only have seemed a little too ordered and well pressed in the most advanced circles of Paris or Rome. But he was a remarkable sight in Denver.

Sometimes a "fashion" is socially acceptable only within a few miles of the shop where it was bought. It needs only another town, not necessarily another country, to demonstrate that the way we dress is just



Both these suits show the way in which the fashion trends have affected the mainstream market. The wool suit on the left is by Andersons of London, a group which supplies many High Street outlets. It will be available later in the year priced around £70. The "Dean" suit on the right is by Aquascutum and comes in various colours. It is on sale now and this wool/polyester (70/30) mix version sells for £160. Both have narrower lapels, deeper button positions and softer shoulders than might have been seen a year ago.

another form of tribal body paint.

It was with all this in mind that I have been reflecting on the current thinking in the menswear business.

If the recent Salon de l'Habillement Masculin in Paris was anything to go by, the turmoil of the revolution in menswear is not over. Over the

past two years the men's fashion business has been busy ditching its basic theme of the past decade—structured waist-nipping—and taking up the new easy going freedoms that had long since been acquired by women. During the past few months the High Street has caught up, as a glance in the windows of everyone from

Burton to Take Six will indicate, and there are now lots of softly structured suits, narrow ties and button-down shirts hitting the shops.

But what is this? Not content with seeing through the trends which began so recently, suddenly the designers are rushing back to padded shoulders and suddenly much of the baggy, layered look, is being dropped for more form fitting lines. Paris and Rome have clearly decided that the time has come for yet more change. But a change from what? For most of us the fashion houses are asking for a switch away from something we never knew was there in the first place, and didn't really care anyway. There is, thank heavens, still a continuing difference between being fashionable, and being well dressed.

The French
invasion

BY COLLEEN TOOMEY

MADE IN France. A label difficult to beat in the clothing business.

The French sold us £38m of their clothes last year—mens, womens and childrens. Not bad going considering that little more than a decade ago the only French labels floating around Britain were in haute couture garments and few could afford them.

Despite claims that French clothes are still too costly, French women's fashion has permeated into most areas of the market—T-shirts and trousers are among the biggest sellers. But it is hardly surprising that the French are hanging on to their exclusive, patriotic air. The Italian garment manufacturers are their biggest competitors importing \$98m last year. Now the West German fashion industry is rapidly catching up. Last year British women spent \$864m on themselves compared with \$793m the previous year. Against this daunting figure, French manufacturers contributed less than 2 per cent to British sales and 9 per cent to imports.

French clothes for children are now making inroads into the British market and while the share is still smaller than that of womens' clothing, it bears the same, illustrious "Made in France" tag.

From tomorrow the British fashion trade will begin its annual scrutiny of French fashion at the Inter-Continental Hotel.

"Fashions from France," organised by the French Government-sponsored French Clothing and Textile Centre, has pushed hard to sell brand label clothes in this country.

It is organised by a dynamic French woman, Mme. Marie-France Brown and from its inception ten years ago has grown from a handful of exhibitors to 85 this year.

Joussie is one of the bigger fashion names at the exhibition, selling womens' clothes to more than 200 shops and stores in Britain. It has around one-third of the trade in London, it claims, and after seven years has built its sales up to around £2m. That makes Britain its fourth largest importer.

Others such as Rodier, Lanvin, Cacharel and Guy Laroche and children's manufacturers such as Absorba, the leading importer in Britain and Cati-Mini, a new brand on the British market,



Post Office flowers



Spring cheer

SEEING CRATES of newly picked snowdrops on the railway platform awaiting despatch on the London train the other day, while a blizzard was raging, I could not help marvelling how such a fragile little flower could bloom in such appalling weather. Clearly its appearance is deceptive and its seemingly delicate petals resist the harshest frost. It is altogether appropriate, therefore, that the Post Office should have selected the snowdrop as one of the four flowers on the set-

plant and some of the more endangered species may not even be picked. There are many parts of England where the primrose (9p) is now a rarity, while the wild daffodil (10p), once widespread, is now confined to the south and west, as well as colonies in North Yorkshire and the Lake District where they inspired Wordsworth's best known poem. Even the bluebell (11p) is not as plentiful as it once was, as a result of its habitat being destroyed. Only the hardy snowdrop (13p) is abundant and there can be few gardens without a clump of them.

This set will be particularly welcomed by the large number of collectors of the floral theme. Compared with other countries we have not given much prominence to our flowers in stamps. Prior to the National Nature Week pair of 1963 the only British flowers to appear on stamps were the stylised rose, thistle, daffodil and shamrock tucked away in the corners of the George VI and the Queen Elizabeth II definitives. In the 1960s there were also sets honouring the 10th Botanical Congress and British wildflowers, and then a nine year gap till the magnificent roses series of 1976.

The wheel has come full circle, for a special pictorial stamped envelope was issued last month to commemorate the 10th anniversary of the National Postal Museum and bore the heraldic flowers of the United Kingdom as a decorative vignette. This souvenir envelope is available from the Postal Museum and all philatelic counters.

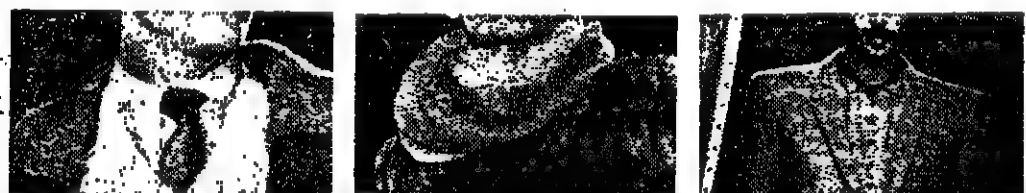
While the British Post Office may be somewhat hesitant in

featuring flowers other postal administrations have resorted to this ever-popular theme as often that it is a wonder they have any blooms that have yet blushed unseen by the philatelist. There is a growing tendency to be more specific in the choice of subjects. Whereas a few years ago floral sets would have shown a wide range of blossoms chosen at random, flower sets now concentrate on subtle variants of a single species, or look for some quite localised aspect of flowers.

Thus a recent set of four stamps and a miniature sheet issued by the Grenadines of Grenada concentrated on the flowers found on Out-Island. Two recent and extremely colourful offerings from Mexico feature dahlias with the local names of coccocochiti and cocalocochiti—exotic additions to the vocabulary of the crossword enthusiast if no one else. St. Helena has come up with a splendid sketch of *Pharmaceum acutum* by Sir Joseph Banks for the 12p stamp in the current series honouring Captain Cook; historic paintings or sketches of flowers is a relatively new angle on this time worn theme. It can only be a matter of time before we are treated to a set of stamps reproducing pressed flowers in the palest of pastel tints.

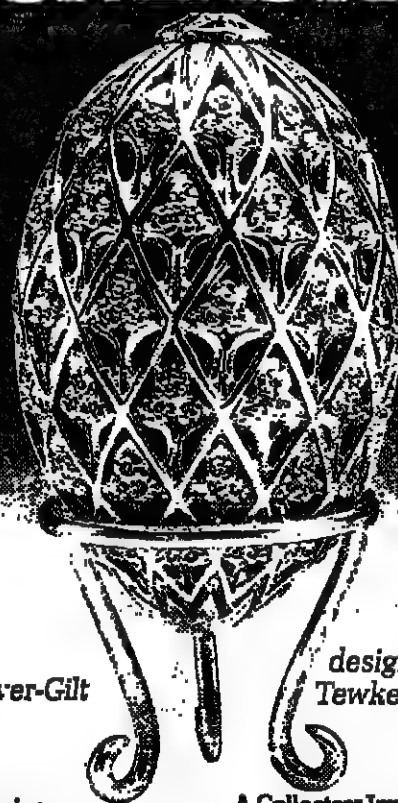
The House of Questa, probably the leading exponent of multicoloured lithography in the security printing industry today, seems to be cornering the market in the production of flower stamps. Their current output includes a set of four depicting three blossoms, by David Findlay, for Lesotho, four stamps designed by D. Padden showing local flowers of St. Christopher Nevis and five assorted exotic flowers by Gordon Drummond for Antigua, as well as the aforementioned Grenadines series. Perhaps the oddest of the flora sets from Questa is the series of five stamps issued last month by the Falkland Islands. Not exactly noted for the wealth and variety of their wildflowers, the Falklands have come up with a varied assortment of help and other seaweeds which, from the brush of Ian Strang, look surprisingly colourful.

Of the diversity and variety of orchids there is seemingly no end. Both Indonesia and Somalia have just issued short sets featuring orchids, while Malawi has launched an entire definitive series depicting some of the many different orchids found in Central Africa. The series was designed by Gordon Drummond and printed by John Waddington.



THE GOOD, THE BAD AND THE UGLY—that might be the theme of this little selection from the SEHM collections in Paris last month. On the left is the narrower button down shirt collar which is now very much part of the general fashion scene.

In the centre is a wrap around scarf, illustrative of one of those passing fads and on the right the broad shouldered look which is the latest whim the design world is keen to thrust upon us. Pictures: International Wool Secretariat.

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The Design

The design incorporates the beautiful lantern ceiling with its central sun and surrounding panels to be found under the Tower of the Abbey of the Blessed Virgin Mary, Tewkesbury. On the Egg, this is surrounded by Primroses which are so characteristic of the gentleness of spring. The brightly polished silver is exposed on the star points and the narrow cross bands, and highlighted on the petals of the flowers. A beautiful contrast is made by the rich 24 carat gold plating on the central motif and as a ground to the flowers.

The Egg is in the form of a small casket with a delicate hinge and clasp.

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The high ways

CAN SNOW be too good? There were times during the past week or so that made me wonder. The scene was the American Rockies, where the many resorts around Salt Lake City and Denver are luxuriating in their most successful season ever. Both the snow and the number of skiers have arrived in greater abundance than even the most optimistic hoped and some new arrivals are having trouble finding rooms.

Rocky mountain snow is almost intoxicating. It is extraordinarily difficult to make a mistake on it. The high altitude dry air (I was skiing at between 9,000 and 11,000 feet, which is by no means the highest in the region), produces pistes which

developments will make it even more attractive. Steamboats must now surely rank with Aspen and Vail as somewhere worth the diversion for Europeans.

Winter Park, a resort very close to Denver, and busy as a result, is pleasant enough if you have a car, but not if you enjoy compact settings. The skiing, particularly on the Mary Jane side of the mountain, is of a high standard, but the mountains are dreadful. Drop in if you are passing, but choose one of the others if you are staying.

Both resorts had that perfect Rocky Mountain snow. Too good? Well, the skiing is primarily designed for recreation rather than a test of athleticism. Its forgiving nature makes you feel more silly than sly and so, for me, it was perfect. If, however, you like some variety and actually enjoy a bit of ice and the odd patch of crust, then the Rockies will be a disappointment. Locally the costs are pleasantly lowish, the heartbreaker for us is the price of getting there—try to build it into a business trip.

WINTER
SPORTS

rarely vary in quality between top and bottom stations. After an hour or so you become relaxed and extravagant, skiing at considerably higher speeds than you might in Europe, simply because you are certain there are no shocks round the next corner. If there's no ice, bare patches or slush at the top, then there won't be at the bottom. In five ski days I think I fell three times—somewhat less than my daily average on a European slope.

Steamboat Springs has grown somewhat since I first tried it runs some years ago and is much pleasanter as a result. There is now a village atmosphere in the resort and the 11-plus being spent this summer on lifts and mountain restaurant

The trouble with ever-perfect snow is that there is always the nagging guilty doubt if your skiing is actually improving. If those turns are never really tested, how do you know if you are getting any better? Over the days I was supposed to be road-testing various skis, moving up through Olin Mark III, which I found gorgeously manageable, through those long-established favourites Rosinol Stratos, for which I am probably a bit heavy, to K2 810 Comps, which are too good for my type of cruising skiing. But it was no test really. I was happy on all three. The snow was just so forgiving that it was hard to tell the difference. Perhaps snow can be too good after all.

SNOW REPORTS

EUROPE

Flaine (Fr.)75-435 cm Good skiing everywhere.
Niederau (Aus.)15-40 cm Slush on lower slopes.
St. Anton (Aus.)15-260 cm Lower slopes very bare.
Seefeld (Aus.)20-50 cm Snow disappearing fast.
Crans Montana (Sw.)50-140 cm Powder above 2,000 metres.
St. Moritz (Sw.)60-130 cm Conditions improving.
Verbier (Sw.)40-120 cm Good slush on lower runs.
Wengen (Sw.)40-130 cm Slush on lower runs.
Borlito (It.)80-130 cm Slush on lower runs.
European reports from Ski Club of Great Britain representatives.

THE U.S.

Sugarbush (Vt.)7-24 ins Loose and frozen granular.
Stowe (Vt.)0-15 ins Frozen granular. Very cold.
Hunter (NY)20-60 ins Groomed granular. Very cold.
Park City (Utah)59-88 ins Hard pack. Snow predicted.
Aspen (Col.)18-105 ins Hard pack/powder.
Squaw Valley (Calif.) 42-96 ins Spring conditions. Windy.
Figures indicate basic snow depths at top and bottom stations.

SCOTLAND

Caldergorm All runs complete, new snow, firm base.
Gleneloch All runs complete. Some icy patches.
Glencoe All runs complete. Hard pack.
Lecht All runs complete. New snow, firm base.

HOW TO SPEND IT

مكتبة الأهل

by Lucia van der Post

Bespoke furniture at prices you can afford

ONE of the less devastating results of the continual rise in the cost of mass-produced goods in the shops is that it no longer seems such a luxury or so beyond the ordinary man's reach to think in terms of the one-off specially-commissioned piece.

Once upon a time only the very rich could think of themselves as patrons in this way, and only the very rich could order a piece made to just such a size, in just such a wood. Today the cost of the apparently perfectly ordinary mass-produced furniture is so startlingly high that the gap in price as narrowed considerably while the gap in quality, in finish and often in ultimate pleasure is as large as ever it was.

Robert Heritage pointed out in a recent issue of Design magazine "Production in quantity creates the need for high investment in tooling and production planning, which in turn makes it necessary to expand the vertical structure of the business to cover sales, distribution, discounts, transport, catalogues and so on."

Just so, which explains why many younger designers and craftsmen have found it possible to start small workshops of their own. By keeping their production costs down and catering for small, exclusive markets they have been able to ensure that most of the cost of their furniture arises from the cost of the wood and from the workmanship and almost none at all from things like salesmen, advertising, and all the other things cited by Robert Heritage.

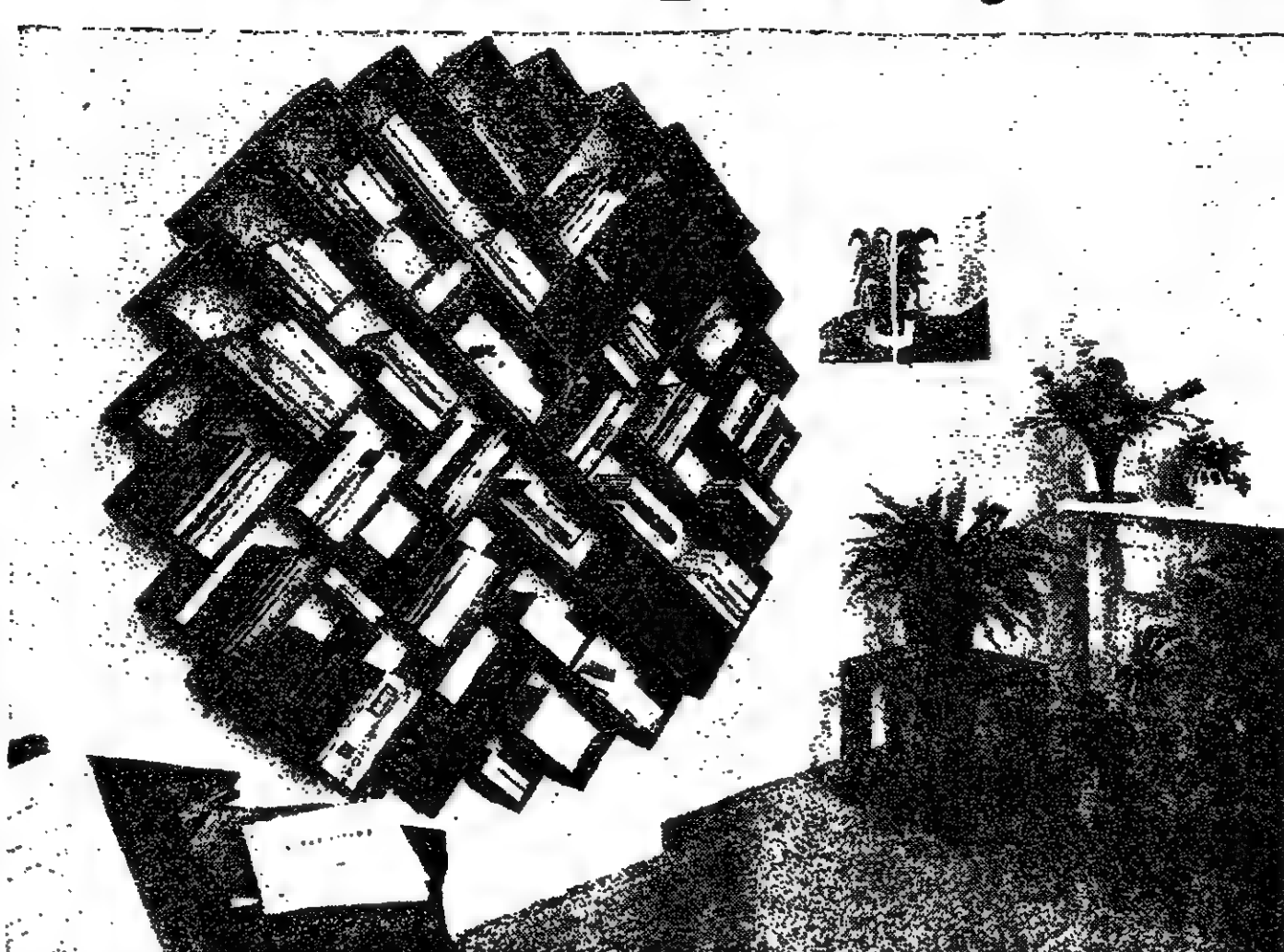
It's not just furniture designers that have discovered this: the small workshops making jewellery, clothes, pottery and the like are all part of the same movement which has gone hand in hand with the growing appreciation, on the part of the consumer, of the hand-made, and the unique.

One of the more interesting workshops to spring up in the last few years is a group called Cathedra which has produced all the furniture photographed here. It is now some four years old so it has weathered all the many crises that such firms are heir to and the five partners and six assistants, some of whom are trainees, and some cabinet-makers, now spend their time evolving new designs of their own, which they usually sell in small numbers, and in fulfilling the many special commissions which come their way.

I think the photographs give a very good idea of the high standard of design and finish—all the pieces have that indefinable stamp of quality about them. There is a degree of mechanisation—which was introduced to help keep costs down—but all the pieces are made in limited editions and all are hand-finished.

Many of their own designs are made in limited editions—not just to raise the price artificially (which I often think seems to be the chief motivation behind limited editions) but because people who have paid a reasonable sum of money for a fine piece of furniture do not like to think that there are hundreds or thousands of identical models all over the country. Because most pieces are made to order it is, however, always possible to have dimensions changed or different specifications incorporated into the design.

All the partners are designers as well as cabinet-makers, rather in the tradition of the English cabinet-makers of 150 years ago. Furniture then evolved from close discussions between the cabinet-maker and his client and this is how Cathedra most likes to work. The partners see themselves as being in the direct line of true English cabinet-making and anybody with specific needs would be sympathetically helped.



This interesting bookcase is made in a limited edition of 25. Padouk, an exotic red timber from the Andaman Islands in the Indian Ocean has been used for the sides while the back is in English sycamore. The contrast of red and white enriches the design and emphasises the graining in the Padouk wood. The bookcase can house 15 metres (or 48 feet) of books

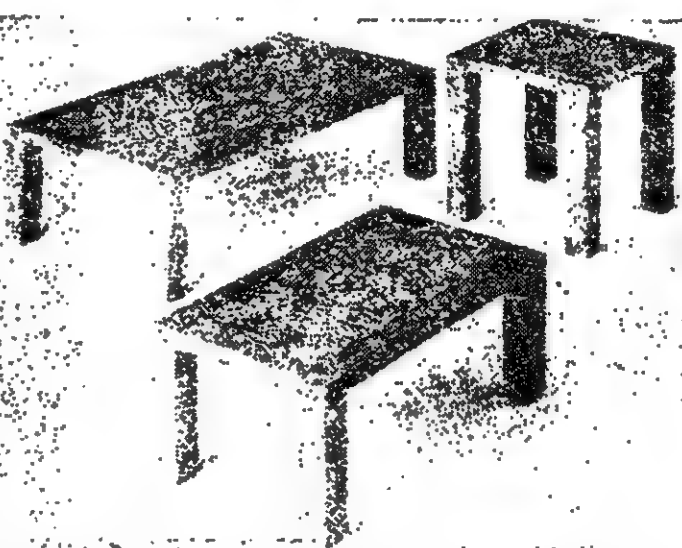
So far their commissions have tended to be special tables for conference halls, banks, commodity brokers and the like but

they have made some amazing-sounding garden furniture in the shape of a dove (yes, you can sit in it) with some matching pigeon-toed tables.

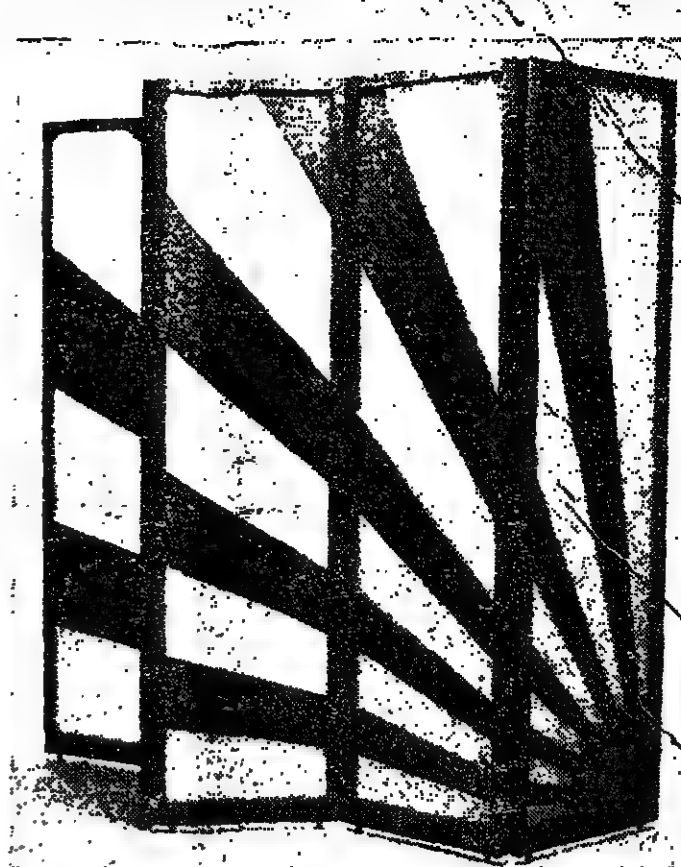
They use some English woods like walnut and elm but also use quite a lot of tropical exotic timbers like Padouk which was used for the rather startling bookcase, photographed above.

Though I do not think Cathedra furniture is expensive for what it is, it is not cheap. Standards are high and much time and care is lavished on the pieces. At the moment the least expensive furniture they do is a range of tables from English elm—these start at £120 for smallish coffee tables and go up to about £230 for dining tables.

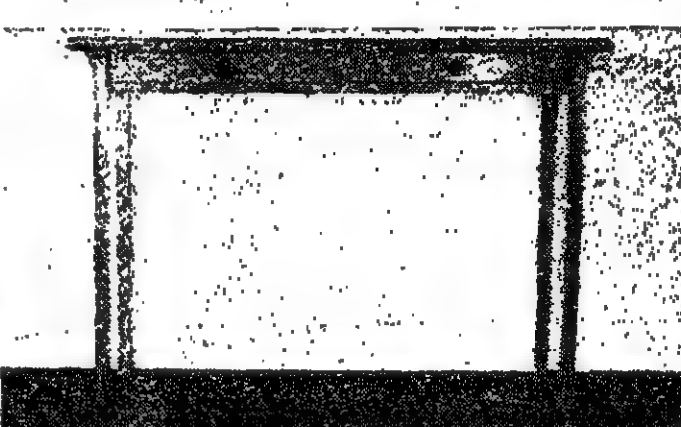
Cathedra is to be found at: The Sail Loft, Dreadnought Wharf, Thames Street, London SE10 8BU. Anybody who visits the workshop will be able to see examples of the limited edition pieces they produce. Out of London readers can write mentioning the pieces that interest them (whether table, bookshelf, screen, etc.) and they will be sent a copy of a photograph and a list of sizes, prices and woods.



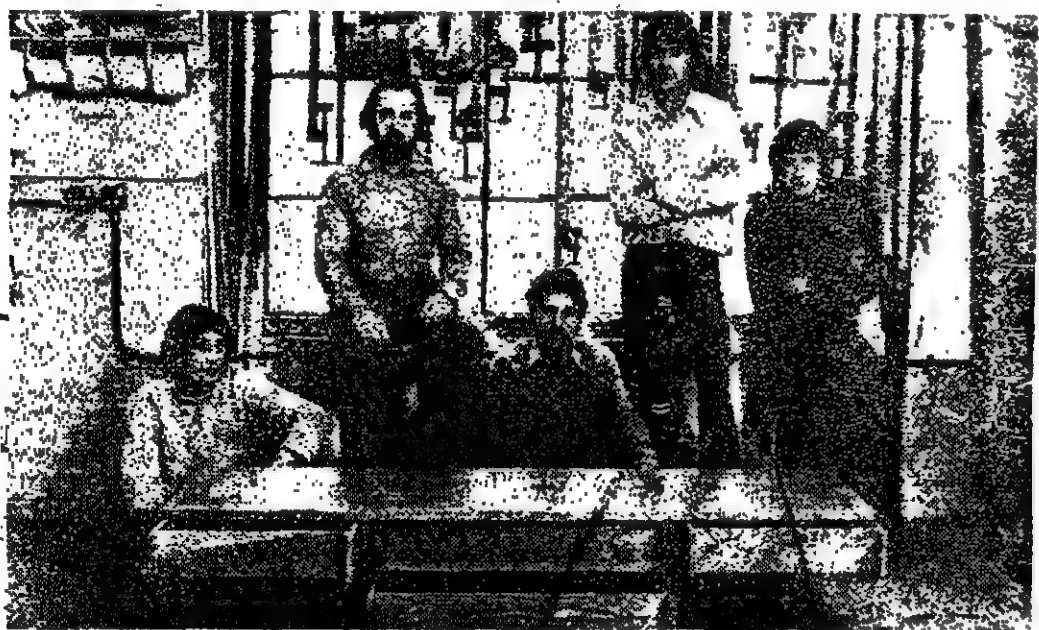
This group of tables is produced from English elm—the legs are solid elm while the central panels are made from elm burr veneers. Cathedra wanted to put the vast amounts of elm to good use before it all vanished from the furniture scene. The elm burr is a protective growth which occurs on the tree as a result of some natural injury, like the severing of a branch from the trunk. The growth produces a quite different pattern of graining and colour which provides an interesting contrast for the central panels. The tables are finished in an acid catalyst lacquer to protect them from spills and damage. Prices start at £120 for coffee tables and go up to £230 for dining versions.



This arresting screen is made from six panels and the wood is English chestnut interspersed with silk. The silk is progressively dyed so that it is white at the edges and becomes more and more orange the nearer to the sun until the silk nearest to the sun becomes a golden orange. The screen as a whole measures 2400 millimetres long by 1800 millimetres high. To order, about £500.



A finely wrought side-table which also opens up into a card table. It is normally made in English walnut though the drawer knobs are of turned African blackwood. It is 1200 millimetres long, 400 millimetres wide and 760 millimetres high (that is, approximately 4 ft by 1 ft 4 in) but when opened up to form a card table it is then 800 millimetres wide. The table is made to order only and costs about £500.



The five partners behind Cathedra, from left to right, Tim Platt, Chris Lefian, Richard Hutchfield, Ron Makewell and Andrew Platt, grouped round a low table made from cherry or macassar ebony.

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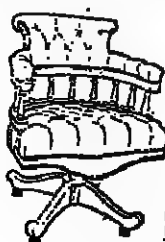
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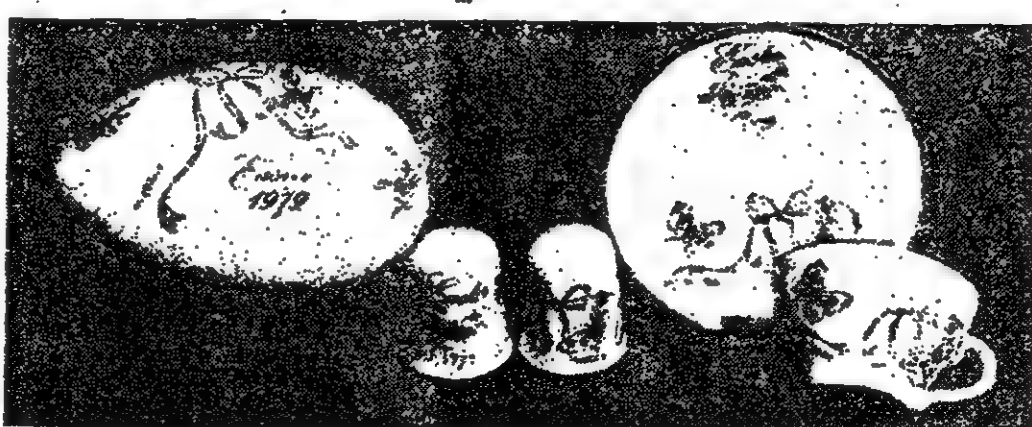
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Postscript

● Easter still seems some time away to me but already many shops are full of suggestions for Easter presents. Some of the most charming I have seen is this miniature set of china, all dated Easter 1979. There is a miniature cup and saucer, a thimble (two are shown in the photograph, simply to show both back and front) and a china Easter egg. The group is made from fine bone china and can be bought separately. The egg is £5, the cup and saucer £1, while the thimble is £2.50. They are available now from good china departments and stores throughout the country.



Halcyon Days special enamel Easter Egg for 1979



Butterflies and flowers—a fantasy design enamelled in a medley of soft pastel colours against a cream background. Production ceases April 30, 1979.

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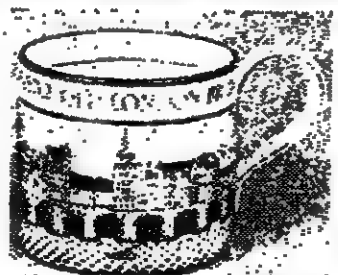
Please supply:

Easter Eggs (if £17.50 plus 45p UK post)

Check enclosed value £.....

Name.....

Address.....



● The souvenir market has been gradually improving throughout the years but it's not always easy to find some memento of London (or Britain) that is both appropriate and beautiful. This fine tankard by Spode is a particularly fine memento of London, though unfortunately its price (£10.95) means that one won't be able to dispense it as freely among one's foreign visitors as one would like. Made from fine bone china, the tankard holds a pint and is decorated with black print and gold lettering. Most Spode stockists are selling it now, just in time for the beginning of the tourist season.

who do not have a greenhouse can use their window-sills but the crucial thing to remember is that now is the time to do it. The basil should be ready in June and should last at least until Christmas. If you would like to know the do's and don'ts of growing basil, Julie Hamilton has written a small leaflet on the subject. Send an SAE to: How To Spend It Page, Financial Times, Bracken House, 10, Cannon Street, London, EC4.

● The problem with brass, as most of us discover the hard way, is that it needs a lot of upkeep. Weekly polishing is a must, unless it has been properly protected with a clear lacquer to keep it from corroding. However, many brass items which have been protected by lacquer begin to lose their protection as the lacquer wears off. Knobs and knockers, those specialists in things to do with doors, doorhandles and knobs, have brought out a collection of products which should help keep all these items in tip-top condition. Firstly, there is Lacquer Stripper which enables you to strip off the remaining lacquer completely and start again from scratch. Then there is Corrosion Remover which deals with the really bad cases of corrosion and finally there is Clear Lacquer which you put on when you have cleaned the brass properly, to protect it from further damage. Each product can be bought separately at 75p a bottle and all are available from all Knobs and Knockers outlets, including the main branch at 61-65, Judd Street, London WC1H 9QT.

● Christopher Wray always has a happy knack of detecting some small gap in the lighting market and filling it with remarkable success. Spot lamps have been a distinct problem for some time—there are some marvellous very modern designs about and then there are some rather ghastly fake old-world ones but what Christopher Wray now offers is a simple spot lamp that looks

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Jacket, 36"-46" chest. Short, Regular and Long £198
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Sweater in Fawn, Dark Brown, Navy, Wine or Black. 38"-44" £75
Trousers, 60% wool 40% cashmere in Fawn, Dark Brown, Navy or Black. 32"-42" waist. Short, Regular and Long £68

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BOOKS

Hand of kings

BY C. P. SNOW

Blood Royal: The Illustrious House of Hanover by Christopher Sinclair-Stevenson. Jonathan Cape, £6.95, 227 pages.

The title of Mr. Sinclair-Stevenson's book, *Blood Royal*, is not illuminating. The subtitle, *The Illustrious House of Hanover*, tells a little more, at the price of being misleading. Sinclair-Stevenson himself says firmly that this is not a treatise nor an organised work of scholarship. It is actually a set of essays about topics and stories which have entertained the author, connected by his interest—cheerful, insouciant, good-natured—in the first four Georges.

Taken on those terms, the book gives considerable pleasure. Sinclair-Stevenson has an indulgent fondness for ugly ducklings. The Hanoverian monarchs haven't been favourites with anyone—that is good enough reason to make him say a good word for them. He has read capriciously but widely.

Sinclair-Stevenson writes elegantly, has a subdued and subterranean wit, and an unusual kind of tolerance or charity. It is fairly easy for a man as bright and sophisticated as he is to be charitable towards the wicked. That is the contemporary mode. It is much more difficult to be charitable towards the unattractive and dull. That Sinclair-Stevenson manages, and it gives a singular kind of good feeling to his book.

By and large, the four Georges were pretty dull, except perhaps the last and least reputable of them. They were certainly unattractive physically as well as in other ways, pop-eyed, lumpish, ill-tempered, given to pathological hostility towards their heirs apparent. They were brave, except again the last of them, whose military virtues were displayed chiefly in accounts of his entirely imaginary exploits at Waterloo. George II led his troops into battle at Dettingen, purple-faced and fearless, the last British monarch to go into action, though several of his successors would have liked the chance. One of Sinclair-Stevenson's most entertaining pieces describes that remarkably pointless encounter.

The Hanoverians were not stupid. In his early historical studies, J. H. Plumb demolished that old stereotype about George I. He came as a comely, well-read, and intelligent man. Plumb was able to demonstrate that he felt his way through English politics with much acumen. The first three Georges were uncultivated, though they had musical tastes. George II, who abandoned the sight of books, was a patron of Handel. There is a nice essay in the book about Handel and John Gay. These Hanoverians had a reasonably crude appetite for women, except for George III, who was obsessively devoted to his wife and fathered 15 children.

Most of these, through their own temperaments plus external constraints, including the Royal Marriages Act, invented by their father, led unenviable private lives.

The male members of the family were a ramshackle crowd, and it was left to Queen Victoria to make the Royal house respectable. The daughters of George III had a miserable time, and needed to console themselves with passions for elderly courtiers and sometimes clandestine marriages.

All this Sinclair-Stevenson recounts with enjoyment, mixed with regret for some wasted lives. In the same vein he deals with gambling, the ring, the manic diversions of the late 18th-century upper classes. With George III's genuine manic phases, the writer consoles himself that the king was not really mad but merely suffering from porphyria. He probably was, but the distinction seems a fine one. Other forms of madness, more likely than not, will be given similar attributions in time to come.

I found the book engaging, rather like hearing an agreeable monologue from someone with a stock of offbeat information about inhabitants of the 18th-century. I am not fully persuaded, though, by Sinclair-Stevenson's enthusiasm for George IV. He had some sort of taste, agreed. He had spasms of generosity. But in a less than ideal sphere of life he would have made an adequate con-man, telling hard luck stories outside theatres, sponging for meals, using an all too facile charm to get himself kept by susceptible women. He was lucky to have the mana of royalty, and the pavilion at Brighton is not enough justification.

There is something for almost everyone here, from banal reminiscence by famous people who scarcely knew Einstein to lucid expositions of his most serious work. The International Commission on Physics Education has combed nearly a century of literature, high and low, to assemble this treasure trove commemorating the birth of Albert Einstein 100 years ago.

By no means all of his observations lay beyond the wit of ordinary mortals. Why did he never wear socks, even to meet the U.S. President, a photographer once had the temerity to ask. "When I was young I found out that the big toe always ends up by making a hole in the sock." What makes rivers meander? Moreover meander in different directions in the north and south hemispheres? Here is Einstein in 1928 explaining the hydrodynamics of rivers, beginning with the behaviour of leaves in a teacup.

For parents frustrated by the refusal of offspring to reflect their hopes faithfully, we have the portrait of Einstein the indolent student who showed

no special ability "except a talent for day-dreaming. A teacher suggested that he should drop out and he did. Late in life the world's most widely known scientist wrote that if he were a young man again, he would rather choose to be a plumber or peddler in the hope of finding that modest degree of independence still available, under present circumstances."

J. Robert Oppenheimer, former director of the Institute for Advanced Study at Princeton, where Einstein worked for 30 years, calls this remark "a balance of seriousness and jest that no one should now attempt to disturb." He would have had no idea what it meant to be a plumber.

A fellow mathematician who asked him how ageing had affected his thinking was surprised by the forthright answer. He was having as many new ideas as ever but it had become harder to decide what to reject and which to pursue. "His 'no'—his perception of the scientific path of follow—immortalised in a Japanese cartoon, was becoming less dependable.

Einstein, unlike some brilliant scientists from central Europe, was never a political operator. There are several versions of the letter he wrote to Roosevelt in 1939 about the possibility of making an atomic bomb. One version which has the ring of veracity is that of C. P. Snow

who, having established that Einstein's work in fact had nothing whatever to do with the splitting of the atom, tells how four other scientists deeply embroiled in fiction consulted him on how to get a message to the President. As Einstein told Snow, "I served as a pillar box." The four drafted a letter which Einstein signed, and which was then relayed through a sixth party to the White House.

During the war he was a consultant to the High Explosive Division of the U.S. Navy's Bureau of Ordnance. George Gamow recalls how, barred by his Russian birth from working on the atomic bomb, he acted as messenger between Washington and Princeton, and of the Einstein's enthusiasm for the Navy's proposals for demolishing the Japanese Navy. Later, Einstein became depressed at the devastation of the two Japanese cities and campaigned valiantly for a world state, but with no discernible consequence other than to make himself distrusted both in the U.S. and Russia.

The publishers claim that "most of this book is accessible to readers with little or no scientific background." That this is so undoubtedly owes much to the enthusiasm as well as the skills of Professor French as the editor. Einstein, for all his predilection for solitude as a scientist, emerges as a warm and witty man to the end.

investigates the murder of wine-explorer's wife, battered to death in her own salon. The lady once sang in the chorus of the Paris Opera—a recording of *Rigoletto* is still-revolving on the turntable—but the crime is evidently domestic, with brother, daughter, husband, housekeeper, gardener and postulated lover as suspects. The chain-smoking inspector, who gets through several packets of Gauloises a day, is as sharply portrayed as the Cote d'Or background is authentic.

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In the aftermath of Watergate no U.S. Senator can afford to have his name linked with a corporation, even one as powerfully protected as Astra, undergoing investigation by the Justice Department. A scapegoat is required but Sullivan, ex-CIA hatchman for Astra, refuses the role despite a large pay-off and goes to ground in New York. His efforts to retain his liberty are frustrated by the money-making efforts of his wife, who is superbly suspenseful reading, while the glimpse into those murky depths where politics and corruption meet is horrifying.

Apprentices of Freedom by Judith Cook. Quartet Books, £4.95, 150 pages.

For those too young to remember, or were unborn at the time, the effect of the 1936-39 Spanish Civil War on people in Britain remains a puzzle. From this distance it seems totally baffling that within less than 20 years of the war to end all wars, hundreds of people in this country (and others) passionately wanted to become involved in a war in Spain, a war which did not directly concern them.

The harrowing, sometimes absurd, events of that grim conflict have been adequately chronicled by several historians. There have been few accounts though from the ordinary idealists (as opposed to intellectuals) in the battlefield explaining why they volunteered, describing their frontline experiences and how these affected them subsequently. Here Judith Cook has assembled the unembittered stories of some of the last remaining survivors of that ill-fated British Battalion of the International Brigade.

It is estimated that 95 per

SAINT JACK
Paul Theroux

A book-jacket design by Stephen Russ with lettering by John Ryder—one of the illustrations in the work reviewed below.

Plain letters

BY VICTOR CLARK

The Case for Legibility, by John Ryder. The Bodley Head, £3.50, 78 pages, illustrated.

The Case for Legibility is a cry of anguish uttered by John Ryder of the Bodley Head on the occasion of his address to The Standing Conference of National and University Libraries on the subject of book design and typography at the present time.

His message is short and legible, standards have slipped, at least by comparison with "the most famous private press of all," *The Officina Bodoni* of Verona. Few would argue.

He blames art colleges. "For lettering design is not taught in most colleges," as well as the peddlers of instant dry transfer lettering and the growing menace of computerised typesetting with its often clumsy adaptations of classic typesfaces for digital and cathode ray tube methods of letter generation.

John Ryder does not, however, leave us without a rallying cry. His last paragraph exhorts us to "introduce Nicholas Jenson of Venice and Francesco de Bologna and the Parisian Simon de Colines with his successor Robert Estienne to the computers before it is too late. Let us programme with the few golden canons of typography we believe in."

The book contains some well chosen examples of what is good and bad book typography. The blurb points out that this short book does not pretend to provide a do-it-yourself guide to book design. "It is a personal statement by a distinguished practitioner." That is undoubtedly true. However, in the course of making his valid and timely appeal to halt and reverse our standards, John Ryder sometimes approaches overstatement or oversimplification.

His joy in a classically well-formed roman alphabet leads him to suggest that. "When we think of the triumphant collection of 26 unaccented roman letters—the simplest known key to literacy—we realise the obvious advantage inherent in the roman alphabet." (My italics.) He follows with the thought that, "We have miraculously avoided the oriental policy that has forced millions of readers to live in a maze of pictographs."

Despite this there are grounds for optimism if only because the speed of new technology allows new or improved versions of alphabets to be introduced amazingly quickly. We shall therefore not have to live so long with our mistakes.

Ideally this stimulating little book should not only reach the professional but filter to the least untutored user of dry transfer lettering preparing a Knock and Wait notice for his General Manager's door. The relatively high cover price may inhibit this process. Pity.

Soldiering in Spain BY KEVIN HENRIQUES

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Fiction

In darkest Updike

BY ISABEL QUIGLY

The Coup by John Updike. André Deutsch, £4.95, 298 pages.

Elgar on the Journey to Hanley by Keith Aldritt. André Deutsch, £4.95, 223 pages.

Minnie Ashe at War by Cyril Kersh. W. H. Allen, £4.95, 174 pages.

"In the year of the Prophet 1393, which the comic arithmetic of the infidels numbers as 1973, at the end of the wet season, which had been dry, the President went to visit the king." Give this neat sentence to some wretch in an exam a century ahead and see where he puts it. Will he know that in the late 1970s John Updike moved out of middle-class America into Africa and Islam? To suggest that any novelist may last a century is to stick one's neck out; it is safer to say that anyone who writes with Updike's virtuosity is likely to desert the familiar for the exotic. If only to prove that he isn't just this sort of writer but that sort as well.

Updike has a skater's skill with words, swooping as fast and elegantly from this to that that you scarcely notice the manoeuvres, the changes of pace and mood, the smooth cuts and scarcely surprising surprises. In this new novel he writes partly in the first person, partly in the third, each narrative gliding into the next so satisfactorily that what might seem a tiresome trick becomes, in the first place scarcely noticeable and in the second, and more importantly, an integral part of the whole concept: a way of showing inside and outside, subjective and objective, even America and Africa, side by side and intertwined.

As the narrator (Ellello, Bini, Felix, Kappy, depending on where he is, and with whom) puts it: "There are two selves: the one who acts, and the 'I' who experiences. The latter is passive even in the whirlwind of the former's making, passive and gutless and astonished. The historical

performer bearing the name of Ellello had no less mysterious to me than to the American press. . . . We know this much of him: he was short, prim and black." The Coup (suggesting newness, suddenness, unexpected success) is a good name for a novel as new and unexpected as this one. Updike seems to be stressing his own virtuosity when, instead of claiming long familiarity with his territory (a country on the southern fringes of the Sahara), he makes a long list of acknowledgments to such sources as "the National Geographic magazine, children's books, Beau Geste, and travellers' accounts from Mungo Park to Evelyn Waugh." His story is that of a present-day ruler who, horn of a rape in the early 1930s, achieves power almost accidentally through service with the French in Indochina, a course at an American university, and the favour of an old puppet king; his four wives, from four periods of his climb to power, live in suburban villas around the capital; he writes his memoirs at a café table in an at first unidentified place of exile, time present and time past, at all kinds of removes and in every sort of remembered feeling, intertwined with even more than Updike's usual degree of skill and wit. Underlying the irony of tone there is, of course, the irony of fact that whatever is said by the Islamic African about (say) America or the West in general is translated (even transliterated) from the mind of an American; and the conversations in (we are told) African dialects from this or that phase of Ellello's life are set down with a sophistication that suggests further translation (of transliterations) on the part of Ellello's Updike; as indeed the events themselves seem to spin off, at times, into fable and fantasy.

By comparison with Updike's flamboyant embroidery upon time, opinions and events, his subtle interweaving of colour, mood and landscape (metaphysical as well as physical), Keith Aldritt's *Elgar on the Journey to Hanley* is like the plainest of knitting, rows of words purring along quite pleas-

antly, even quite effectively, but without much idea of what can be done with time, place and landscape. Technically, it is all very simple: almost laundry-list prose, and the most straightforward treatment of past and future, of the intertwining of events in time.

Dora Penny was a young girl when she met the middle-aged Elgar, married to a wife much older than himself. She became one of his *Balmain* variations ("Dorabella"), and some sort of feeling seems to have existed between them. The story, slender, one-sided, romantic and non-physical—is told from Dora's point of view, Elgar never emerging as anything but the exciting, selfish object of her interest, passion, infatuation—whatever such a feeling becomes when the girl grows older, thickens and is neglected.

As with all fiction based on fact, it is awkward not to know what is fact, what imagined, what Elgar was a wayward, unsatisfactory friend, that his wife encouraged his relationship with Dora, that he took people up and dropped them: this all seems likely, even factual. But the rest? It seems a little like the musings of a woman who gives too permanent an importance, too solid a place, to moods, looks, evanescent moments and what, in those days, seemed exchanges of confidence. As a period piece, an accumulation of details about provincial life in clerical-musical circles, it does better than as a story of feeling.

The appearance of things, touch, taste, the unexpected sexuality of a world where sex was scarcely supposed to exist; all these come across with the right sort of stiffness and shockiness, for the period.

Cyril Kersh's *Minnie Ashe at War* has a Jewish family in the East End of London keeping a line during the Second World War. The sources of jokes (rationing, air-raids, Americans) are predictable, but the pace is fast and the dialogue (it is almost all dialogue) really funny; its humour based largely on misunderstandings, flights into irrelevance, not on verbal wisecracks, but on an ear for speech rhythms and an understanding of the central point of Mrs. Ashe's wartime attitudes.

Breaking it BY GEOFFREY MOORE

Delmore Schwartz by James Atlas. Faber/Farrar, Straus and Giroux, £3.25, 418 pages.

What is to Be Given by Delmore Schwartz. Carcanet, £2.90, 97 pages.

In Dreams Begin Responsibilities and Other Stories by Delmore Schwartz. Edited by James Atlas. Secker and Warburg, £4.90, 202 pages.

In 1938 there appeared an attractive and unusual book. Its author was Delmore Schwartz. It was called *In Dreams Begin Responsibilities* and *New Directions* printed a thousand copies. The typography and format were as distinctive as the contents. On a black cloth cover there was a small design in gold of a kneeling man with what looked like a bear ("The heavy bear . . ."). The contents consisted of the story which gave its name to the book, a narrative poem entitled "Coriolanus and His Mother," 35 "Poems of Experiment and Imitation," and a play in prose and verse called "Dr. Bergen's Belief."

What James Atlas has done is to extract the story and print it along with seven of Schwartz's other prose pieces, annexing its title for the whole book. Admittedly, it was originally published separately in the *Partisan Review* in 1937, but for those of us in Britain who encountered *In Dreams Begin Responsibilities* in the 1940s or early 1950s, the package was the one described above. We were struck by the skill of the poems, the very personal style, the engaging autobiographical frankness, and we tended to gloss over the rest. The impression one gets from

the Secker prose collection is one of fatness. The reader has to force himself to read through the volume, for the stories are amateurish, often in the nature of parables, and lack that sensuous immediacy which is found in the work of the true contemporary American short-story writers. The effect is not quite as bad as that of reading William Faulkner's poems, but decidedly not one of astounding delight. For Schwartz was a poet first, a critic second, and a short-story writer not at all. He was also a hypnotic talker, the subject of legend. Randall Jarrell, Robert Lowell and John Berryman have all written about him. He appears in their poems as a brilliant but slightly mad friend. Saul Bellow enshrined him as Von Humboldt Fleisher in *Humboldt's Gift*.

This is fully brought out in Atlas's other book, an excellent biography which traces Schwartz's life from his birth in 1913 to his death in a run-down New York hotel in 1966. What is remarkable about his career is that he was able to sustain himself as an important literary person despite the fact that what he produced after his first book was of an inferior standard. He tried translating Rimbaud, but his French was not very good. He attempted plays but they were neither good poetic drama nor good dramatic poetry. He published a book of stories (*The World is a Wedding*), but they were not well-received. There was a brief revival with *Summer Knowledge: New and Selected Poems 1938-1966*, but, during the last years of his life, he existed almost entirely on his youthful reputation.

It is not difficult, reading Atlas's book, to understand what the fuss was all about, but it is difficult to accept Schwartz to-day (as Irving Howe seems to wish us to do), as a great literary figure. Many of his poems have an engaging memorability—for example, "In the naked bed, in Plato's cave." "All of us always turning away for solace." "All clowns are masked." "Or 'Calmy we walk through this April's day'—but, whatever his gifts as a lyric poet, he was not the American Auden.

Now, in his introduction to *In Dreams Begin Responsibilities* makes much of the fact that Schwartz's awkward so-called action reflects the language of the children of Jewish immigrants in the 1930s and 1940s. So be it. We can accept the evidence as historical but we fail to enjoy. The prose may enshrine what Howe calls the "essential Jewishness" of the Schwartz milieu but this is not necessarily a virtue in itself. Only if the style comes alive, as in the work of Bellow, Mailer or Roth, can it be held up as an artistic example.

Was Schwartz the Podhoretz *de se jours*? He certainly made it in his fashion. But in reality, all his life, he was not making it but breaking it. He is a typical example of the talented American boy who is taken up on the strength of a brilliant first book, sustained by his obvious intelligence and promise and, thereafter, lives on the capital of his initial achievement. There is so much floating money in the U.S., so many grants and fellowships, such generous advances from publishers and secure "advances" that it is fairly easy to coast for the rest of a slowly decaying life. Of course Schwartz tried, but he disappointed his exacting public, each time. In his heart he knew that he could never attain again that first fine career, that rapture of the New Directions book.

Mexican firecrackers BY HUGH O'SHAUGHNESSY

The Hydra-Head, by Carlos Fuentes, translated by Margaret Sayers Peden. Secker and Warburg, £4.95, 292 pages.

What must one now call Carlos Fuentes? The intelligent man's Ian Fleming? The John Le Carré of the Third World? A tropical Len Deighton? All of this—and more. The Mexican novelist, putting aside the historical themes which inspired his earlier works, *Terra Nostra* and *The Death of Artemio Cruz*, has now produced a thriller with all the up-to-the-minute actuality of a newspaper headline.

At the same time, he has lost none of his ability of moulding language with subtlety and force. The story is of the present international battle to get hold of Mexico's oil wealth, and the emergence of a Mexican intelligence service designed to keep the U.S. and Israeli operators at bay. Intervened into

this deftly-planned story of violence is the life of Felix Maldonado, chief of cost analysis of the Ministry of Economic Development, the government bureaucrat par excellence, and his various love affairs with his wife and other Jewish women.

Fuentes gently peels off the successive onion skins of that highly sophisticated and almost impenetrable body, the Mexican state apparatus. But just as he takes us into the deepest recesses of the National Palace and its Byzantine intrigues, he also gives us the smells of provincial Mexico at their most pungent.

Felix has landed at the airport of Coahuila de Zaragoza. As he descended from the plane, he breathed the hot, humid air laden with the scent of laurel and vanilla. He removed his jacket and hailed a broken-down taxi. Swift glimpses of coconut-palm forests, zebu cattle grazing on brick-coloured plains, and

the Gulf of Mexico whipping up its early evening thunder-shower, yielded to a view of a port city with low, ugly buildings, their windows blasted out by hurricanes, and dirty neon signs, unlighted at this hour, a whole consumer society installed in the tropics, supermarkets, television sale and repair shops, and in the foreground the everlasting Mexican world of tacos, pigs, flies and naked children in mute contemplation.

That is not to say that the author does not falter momentarily. He seems to hesitate when describing Wonderland Enterprises in Houston, almost as if he had lost his touch when leaving the soil of Mexico. And he slips when he calls Galt and Chavez a Chilean and not an Argentine department store. But such small slips do not detract from what is a novelistic tour de force which explains modern Mexico as few other books, fact or fiction, have explained her.

Crimes in short

BY ELIZABETH FORBES

Radar Target by Gary Vaughan. Robert Hale, £3.95, 184 pages.

When Kevin Thorne, ex-RAF officer now a flying instructor and taxi pilot in Asia Minor, is fished (literally) out of the Sea of Marmara with concussion, he is suspected by the Turks of involvement with the right-wing Eagles of the Free Hellenes and by the Greeks of links with Turkish intelligence and/or the CIA. Pierce cutting back and forth between the characters makes a pattern hard to distinguish at first, but as the picture becomes clearer, so tension builds up to a riveting denouement in which Kevin's flying expertise is fully tested.

Death set to Music by Mark Hedden. Hamish Hamilton, £3.50, 188 pages.

Inspector Pel of the Dijon Police, caustic-tongued bachelor and a martyr to dyspepsia,

investigates the murder of wine-explorer's wife, battered to death in her own salon. The lady once sang in the chorus of the Paris Opera—a recording of *Rigoletto* is still-revolving on the turntable—but the crime is evidently domestic, with brother, daughter, husband, housekeeper, gardener and postulated lover as suspects. The chain-smoking inspector, who gets through several packets of Gauloises a day, is as sharply portrayed as the Cote d'Or background is authentic.

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Apprentices of Freedom by Judith Cook. Quartet Books, £4.95, 150 pages.

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The harrowing, sometimes absurd, events of that grim conflict have been adequately chronicled by several historians. There have been few accounts though from the ordinary idealists (as opposed to intellectuals) in the battlefield explaining why they volunteered, describing their frontline experiences and how these affected them subsequently. Here Judith Cook has assembled the unembittered stories of some of the last remaining survivors of that ill-fated British Battalion of the International Brigade.

It is estimated that 95 per

cent of the 2,000 and more British volunteers came from a solid working-class background. For them there was little else but hunger marches or the dole. Yet they possessed proud ideals and Spain proved a glorious opportunity for these to be tested. As the men were ill-prepared and ill-equipped, it did not take long for the hard truth to sink in. As one combatant, quoted here, said at the time: "This isn't war, it's bloody massacre."

Though comparatively short this collection of Civil War memories, some surprising many sad, makes illuminating reading (it would have been improved by the inclusion of one or two maps). Certainly the vivid, first-hand accounts of the fighting and the conditions, both horrific and horribly inadequate, cause one to stop and ponder anew why these, perhaps naïve, idealists, were impelled to volunteer. A strong desire to oppose the spread of fascism was one motive, says former Trade Union leader Jack Jones in the book's foreword. Then one reads of one man who frankly admits he made no claim to going to Spain as a crusader and who blithely adds: "I was politically dumb."

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W.H. Smith

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WHSMITH

COLLECTING

The road to Epsom

BY JUNE FIELD

prise of surprises!
great shout arises.
Proclaiming to all that the
for it is done—
adom's chief d'oeuvre,
he son of manœuvre,
Lord Bradford's Sir Hugo
the Derby has won.
ger Mortimer's The History
the Derby Stakes, on the race
1892.

DRING themes continue to
deal to collectors. Old foot-
ball programmes are eagerly
ght, antique figures of ice
ters are regularly advertised
in the *Antiques Trade*
ette, and Phillips, who
ved such success with their
ever "cricketiana" auction
September, raising £34,000,
se times the estimate, are
ning another two similar
s. The first, at their Mary-
me salerooms on April 4,
ss in not only cricket
nabilia, but tennis and
items, too. So what next?
acting collectables of course,
thing from a horseshoe to a
ey's silk, particularly with
by theme. Further interest
d investment), will certainly
sparked off by the splendid
hibition "Derby Day 200" at
Royal Academy in London's
adilly, April 5 to July 1, pre-
ed in association with
ts and Co. the Financial
es and Sotheby's. The exhibi-
ion will commemorate the
h Derby at Epsom on June

With the discovery of the
sack in 1618, Epsom was
its heyday, and Pepys
red to racing in his diary of
25, 1663: "Having intended
day to go to Bessing-
ns to see a famous Race, I
Will to get myself ready
to with me; but I hear it is
off because the Lords do sit
Parliament today" while
he referred to there being
ch Company" in the village.
1684 there was even a
ial daily post service from
don during the season, but
about 1710 things went a
flat, partly due, according
a local historian, to "the
very of an apothecary." Only
w London merchants and
r families remained for the

CHESS

LEONARD BARDEN

FEW years ago, a chess
aine asked a number of
ing grandmasters and
ters to name the "game of
rives." A remarkably high
ortion, including Bronstein
Spassky, chose a defeat.
ally the explanation was that
loss put them out of the
ing for the world champi-
onals or candidates,
sometimes the unexpected
re showed up basic weak-
es in opening systems they
practised for years.
n another occasion, Spassky
ned that defeats helped his
s by stimulating a will to
d and recover. But he said
while still on the way up
he world championship, and
id it different once he had
burden of the title and its
ne. At the celebrated
ch with Fischer in Reyk-
k, every new setback seemed
as Spassky's morale, and
e was a similar pattern in
later candidates matches
Karpov and Korchnoi.
he truth is that defeats,
ticularly in a long tourna-
t at a leisurely pace, pose
ychological hurdle for many
ers. The player in club or
ny matches or weekend con-
senses experiences the problem
acutely since the time span
he event is so much shorter.
cession of hard opponents,
owing on early reverses, is
ifferent matter.

BRIDGE

E. P. C. COTTER

COUPLE of no trump
nts from rubber bridge
rested me, so I pass them
to you. This was the first,
it by South with North-South
nerable:

N.
K6
Q10754
QJ1072
A6
W. E.
J10854
Q863 K2
A8 K4
1097 J542
S.
AQT3
AJ
Q65
KQ82.

South bid one no trump,
th replied with a Stayman
clubs and bid three no



"The Coach to Epsom," c1924 cartoon by "The Tour" (P. R. G. Buchanan), lent by the Turf Club for the Derby Day 200 Exhibition at the Royal Academy, April 5-July 1

summer. Defoe writing around
1725 that they themselves drove
up to Town every morning but
that the place was deserted in
winter.

It was the 12th Earl of Derby
who gave Epsom back some of
its sparkle, creating the Oaks in
1779, and the Derby the follow-
ing year, with the first Derby
won by Diomed by Florist out
of Pastorella's dam, ridden by
Sam Arnall. The horse was
owned by Sir Charles Bunbury
(1740-1821), perpetuated at
Newmarket through the Bun-
bury mile, MP for Mildenhall
and one time Chief Secretary
for Ireland.

Documentation on the early
events can be found in E.
Moorhouse's *Romance of the
Derby*, which recorded the race
from its inception until 1907,
and V. Orchard's *The Derby
Stakes* (1900-63).

The most recent book is
Roger Mortimer's superbly
detailed *The History of the
Derby Stakes*, 785 pages, a new
edition, 1973, from Michael
Joseph, £8.75. The publishers
assured me it is still in print,
but it is not easy to track down,
and I finally found a copy at the
Turf Newspaper's shop in
Curzon Street. The definitive
work to study before you go to
the exhibition, it documents
every Derby from 1780 to 1973,
listing owners, trainers, runners
and riders, as well as providing
character vignettes and amusing
anecdotes.

Of that first Derby Mr.
Mortimer records: "Nine of the
36 horses entered for the Derby
went to the post, and the con-
ditions being '50 guineas, half
forfeit,' the prize was 1975
guineas." The book brings to

life the corruption episode of
the race of 1844, when a horse
called *Mavericus*, a four-year-
old, was substituted for the colt
Running Rein, and the Derby
of 1913, "the most sensational,
the most tragic, and the most
unsatisfactory in the history of
the race," when the King's colt
Anmer was brought down by a
sufragette, Emily Davison.

She sustained a fractured
skull and died at Epsom Hospi-
tal on the following Sunday.
The jockey, Herbert Jones, and
his mount less seriously hurt.
The fascinating history cul-
minates in the full-to-bursting
point 1973 Derby when the gates
had to be closed in the face of
an estimated 700,000 crowd, of
whom 30,000 paid to get in,
while the rest made for the
Downs.

"Derby Day 200" will
recreate the atmosphere of the
racecourse, with its bookies,
tipsters, perries, and gypsies;
the exhibits range over paint-
ings (including W. P. Frith's
famous "Derby Day," the
sensational of the academy show
of 1881), prints, drawings,
photographs, posters, the first
newsprint of Robert Paul,
porcelain and pottery ("Lost
And It Served Them Right For
Betting" is the inscription on a
Doulton group by Tinsworth), as
well as fairground souvenirs
such as scarves, cigarette cards
and music sheets.

Cartoons and caricatures
make up a strong section:
"Nine of the 36 horses entered for the Derby
went to the post, and the con-
ditions being '50 guineas, half
forfeit,' the prize was 1975
guineas." The book brings to

5ft 10ins, who often subsisted
on half a glass of champagne
and a water biscuit to keep his
weight down. His health finally
deteriorated and in a fit of
depression Archer shot himself
when he was only 29.

Among the extraordinary
life-like cartoons by "The
Tour" (P. R. G. Buchanan),
loaned by the Turf Club, is
The Coach to Epsom, c1924,
complete with crate of Muet
Chandon and picnic hamper
strapped on top. Lord Lonsdale
driving, and the manly
attitude Lucy Douglas at his side.
From the Hennessy Brandy
family, her second husband was
Lord James Douglas, who died
in 1891. She lived until she was
87, the first woman to own a
Derby winner, Gainsborough,
who won a war substitute race
at Newmarket in 1918.

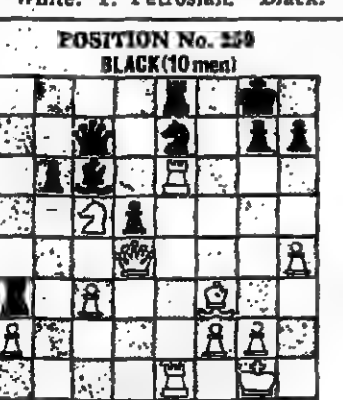
Saleroom

PAINTINGS by Cornelius
Kriehoff, the Dutch born artist
most famous for his views of
Canada, fetched the top prices
in a Christie's sale of pictures
with an overseas interest. His
Portrait of a friend, St.
Maurice, Quebec, sold for
£10,200 (plus the 10.8 per cent
buyer's premium) and a picture
of an Indian woman in snow
shoes realised £9,500. Both
were bought by Williams and
Son of London.

A rare early 18th century
painting showing 14 Inca Kings
of Peru in one portrait, went
for £7,000, and *The Fortune
Teller* by Ludwig Deutsch, of
1927, was bought by the London
dealer Mathaf for £6,000.

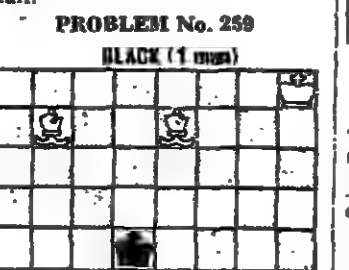
Defence, exchange variation.
The simple strategy of this
opening is to keep a slight
initiative in a symmetrical
position and hope that Black
will become impatient. This
occurred in the Portisch-
Petrosian game, and is also
what happened in a later USSR
championship encounter where
Petrosian played White.

Instead of continuing with
symmetry, Black made an
ambitious attempt to storm the
centre by 8... N-K5, and 11...
P-K4. White got in a lead in
development which Petrosian,
a master of simple chess,
increased by exchanging
pieces and then trapping the
black king on the rook's file.
White: T. Petrosian. Black:



S. M. Taubert v. H. D.
Macpherson, Cambridge v. V.
Orford 1973. White to play.
how did he force a quick win?
This position is from last
year's university match which
Cambridge won 5-2. Cam-
bridge, with Taubert, an inter-
national master, on top board,
are again favourites for the 1979

match this afternoon. The event
is again sponsored by Lloyds
Bank and takes place at the
Royal Automobile Club in Pall
Mall.



White mates in four moves,
against any defence (by W.
Pauly).
Solutions Page 19

The actual declarer failed to
recognise the hold-up play,
because it appeared in a some-
what unusual form. The line
suggested can only fail if West
has a five-card heart suit
together with both diamond
honours.

The second hand contains
more than one point of interest:

N.
K6
Q10754
QJ1072
A6
W. E.
J10854
Q863 K2
A8 K4
1097 J542
S.
AQT3
AJ
Q65
KQ82.

With both sides vulnerable,
South dealt and opened the
bidding with one no trump,
and North's raise to three no trumps
concluded the auction.
West's lead of the spade
Queen was covered by East's

King, and South played low.
When the two of spades was
returned, South again played
low. This was a mistake, be-
cause an alert East would have
jettisoned his diamond King on
the third round of spades. He
can see that South must hold
the Ace and King of hearts for
his no trump bid, and that the
only hope is to find West with
the knave of diamonds as entry
for his spades. East, however,
threw a club. As so often hap-
pens, the declarer's error had
been cancelled by a defensive
mistake.

Realising that East must be
assumed to hold the diamond
King, declarer crossed to the
diamond Ace, once more East
failed to jettison his King, and
the contract was made.
Let us replay the hand. We
win the second spade lead, cross
to the diamond Ace, but on
this an expert East throws his
King. We then cash three
rounds of clubs, forcing a heart
from West, cash the two top
hearts, and finally throw West
in with a spade. He makes
three tricks in the suit, but
then has to lead into our
diamond tenace.

A little learning is a...

NUMBERS games such as esti-
mating the angel-capacity of a
pinhead or the required future
student-capacity of higher educa-
tion, need not be sterile even if
they are inconclusive.

The aim of medieval disputa-
tions about angels, observed the
New Scientist recently, was to
determine not how many could
stand on the pin, but whether
or not the number was finite. If
so, angels must be material—a
possibility of profound impor-
tance to the religious beliefs
central to the society of the
time. The intellectual training
thus fostered may have played
an essential part in society's
coming to realise that ritual was
less successful in improving
life's conditions than was the
scientific process of using
observation to clarify the nature
of a problem, using logic to
work out a possible solution, and
then testing the hypothetical
solution by experiment.

The more modern debate
about student-capacity is simi-
lar. Time, not even the most
zealous expansionist has yet
asserted openly that the event-
ual capacity must be infinite.
But that is the tendency of the
argument, which springs from
belief that education is a good
in itself. Although everyone
has a bachelor's degree, the goal
will not be gained. Beyond lies
a better mankind of PhDs, and

then of post-doctoral fellows,
and so on until all mortal beings
are fit to take up a posthumous
professorship whose tenure is
everlasting.

While unable to decide quite
how, I suspect that this belief
was necessary to the social
ethos of the 1600s, perhaps
because there was then a wide-
spread notion that wealth had
somehow become self-increasing
and that the vital problem was
how to feel good about spending

intakes of working-class and of
older people. And despite the
significant failure of a virtually
identical project in Sweden, Mrs.
Shirley Williams still speaks
glowingly of such further expan-
sion. It was supported, the
Education Secretary said just
the other day, by most replies to
the Government's discussion
paper on higher educational
policy.

That probably tells us less
about the opinion of the
majority of people, however,
than about the occupations of
the majority who bothered to
reply to the paper. Proponents
of further permanent expansion
of education can count on the
support of most whose living
depends on it. Take for example
the nation's academics. It would
not be far wrong to say that the
proportion of university dons
aged 55-60 is now about 60 per
cent, six times the number due
to retire in the next 10 years.
No expansion means little pro-
motion.

Fortunately for the taxpayer,
educational civil servants who
are less susceptible than Mrs.
Williams to political pressure
have advanced the numbers
game to the point where it tells
them that there is no need to
raise student-capacity beyond
the 560,000 places planned for
1982. The possibility of
increased working-class and

older intakes, the mandarins say,
needs more detailed study.

I hope that this is a Whitehall
way of saying "forget it," and
that it signals the end to the
numbers game altogether. Be-
cause—as Mrs. Williams has
lately been told by the Centre
for Institutional Studies at
North East London Polytechnic
—it is more than time for the
great leap forward from ritual
to scientific policy-making.

Unlike angels, the higher
education system is definitely
material and limited. What
problems it can solve success-
fully must surely be already
observable. Among those evi-
dently beyond the competence
of the present system must be
some which might well be solv-
able by some different educa-
tional treatment. New ways of
tackling those problems might
be devised and tested on an ex-
perimental scale before the
18-year age group starts to
decline sharply.

Thereafter, the parts of the
present system which have
clearly failed the test of experi-
ence should be contracted to
provide resources for develop-
ing the experimentally success-
ful new approaches. And, who
knows, the result might be a
type of education that working-
class youngsters and older
people generally perceived as
useful to them.

EDUCATION

MICHAEL DIXON

it. But even though economic
perceptions have since changed,
faith in expanding education has
persisted.

Only a year ago, educational
interests including the related
political Ministers clearly
favoured raising student-cap-
acity at bachelor-level from the
present 525,000 to about 600,000,
and keeping it there despite the
certainty of a subsequent rapid
decrease in the number of 18-
year-olds from whom the bulk
of students are drawn.

Thereafter, the proposal ran,
the surplus places could be
filled by encouraging greater

Phillips

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818, 820, 822, 824, 826, 828, 830, 832,
834, 836, 838, 840, 842, 844, 846, 848,
850, 852, 854, 856, 858, 860, 862, 864,
866, 868, 870, 872, 874, 876, 878, 880,
882, 884, 886, 888, 890, 892, 894, 896,
898, 900, 902, 904, 906, 908, 910, 912,
914, 916, 918, 920, 922, 924, 926, 928,
930, 932, 934, 936, 938, 940, 942, 944,
946, 948, 950, 952, 954, 956, 958, 960,
962, 964, 966, 968, 970, 972, 974, 976,
978, 980, 982, 984, 986, 988, 990, 992,
994, 996, 998, 1000.

ARTS 2

Solti and Ashkenazy

The high point of an outstanding concert given on Friday at the Festival Hall, the London Philharmonic Orchestra under their Principal Conductor Sir Claudio Abbado, gave a performance at the centre of the programme of Baroque and modern music with Vladimir Ashkenazy. A sense-

tainly have indicated the effect had he meant it—but it was nonetheless a beautiful inspiration, a melting dream to set of the bleakness and violence of the *piu mosso*, and the night-ghosts of the *presto*. In the finale, conductor and soloist together made a wild and marvellous alchemy, alive with flashing colours, every line drawn sharp and hard, explosive, taut to breaking point.

MUSIC

DOMINIC GILL

Every page had its magic, its own powerful concentration—more than enough for an evening: one hardly wished to hear more. But Solti returned after the interval with Chalkovsky's Fifth, in its way almost as impressive, but without Ashkenazy's delicate leavening—vigorously full-blooded, ruthlessly unsentimental, each movement a gritty challenge grandly and uncompromisingly met. The tenor of the performance was hardly likeable: though it was stirring, and splendidly conceived.

A Murder is Announced

Nothing ever happens in the pretty blonde, (mysteriously killed) for such a load of murder (mayhem the likes of which little village of Chipping gorm has never seen. Or hopes so, but since it poses Miss Marple as an inhabitant and is the creation of this Christie it was probably typical weekend there. At

THEATRE

ANTHONY THORNCROFT

It is no one on stage for this revival of a Christie classic seemed to be surprised as probability followed impossibility. The audience, too, took it in its stride, accepting it as a well-loved party game presided by the best conjurer in business. This solid set first appeared the Vaudeville a year or so and has returned there from the provinces to keep house lights burning, tough with a basically new twist. It is not perhaps the new to describe Joyce, who had over 60 respect years on the West End before she took up sleuth as Miss Marple, and Jean it, the unfappable mistress the house who has to cope 1 murder as well as a load

of mysterious strangers eating her cake and confusing the plot, has weathered almost 50 years on the boards.

She might have to weather another year or two at the Vaudeville for this is pretty good Christie, to be lapped up by her fans and avoided like the plague by any serious-minded theatregoer who expects to think at the play. Don't start asking why the murder was announced or you might begin to wonder about the sudden opening of the locked door, or the forgetfulness of twins, or any number of unresolved puzzles. The main plot is fair enough, even if it does involve a lot of explaining in the last scene, and Evan Roberts, as a camped up Scots detective, must get the proper names right soon in a play where names matter.

For the rest, Miss Kent bristles effectively; Miss Carey is touchingly fragile; Jill Raymond plants discrete clues; and Glynis Barber eye-catches. There could be more frissons (there were the first time around); there could be more of the putting over this most stylised of theatrical conventions. But if you can be bothered to take part in the game you must surely know the rules by now, the first of which is that coincidence is king and the second that no one participating bears any resemblance to any person living—or dead.

Cragside: a Victorian dream

Cragside, one of the last generation of great English country houses, is near Rothbury in Northumberland. The National Trust will open it to the public for the first time in June and it will present its visitors with a unique glimpse of a late Victorian mansion, complete with

ARCHITECTURE

GILLIAN DARLEY

much of its original decoration and furnishings.

The development of the house does not present a neat history and the rambling form it takes makes that obvious. In 1869 Lord Armstrong, hydraulic engineer, armament manufacturer and tireless inventor, commissioned Richard Norman Shaw to extend the small fishing lodge he had built a few years previously. For the next sixteen years Cragside grew—outwards, backwards, upwards—into the picturesque masterpiece of Shaw's career. With its absurd heaps of roofs and chimneys, its mixture of Home Counties half timbering and Northumberland stone, its Arts and Crafts sunflowers and Teutonic inner courtyard, its lack of symmetry and its magnificent site, which conjures up one of mad Ludwig's Bavarian castles, it has no match.

The relationship between architect and client was an unusually harmonious one and the house reflects their accord. The principal rooms are both impressive and welcoming, their furnishings domestic rather than stately.

The most important rooms at Cragside are the library, drawing room and dining room, together with the gallery. The restoration that Sheila Pettit has carried out has done away with the clinical white paint liberally applied in the twenties and the decorative scheme has been taken back, as far as possible within financial constraints, to the original. There were plenty of clues, wallpaper hidden behind pipe casing, paint revealed under whitewash together with a full photographic record from 1891, and the research department at the Victoria and Albert Museum worked out the most problematic aspects.

Many of the smaller rooms will be on show, and from next year the kitchens and the Turkish bath which was built down in the cellars will be added to the tour, but it is in the "public" rooms of Cragside that the



Cragside one of Norman Shaw's masterpieces

fortunate collaboration between Shaw and his client is most effectively illustrated. In fact only one of the three main rooms is designed to a formal scale, and this is the drawing room, completed 12 years after the other two.

The library, by contrast, is most definitely a room for sitting and reading in; not often the case in the libraries of great houses. With its low coffered wooden ceiling, bookshelves wrapping around the room like dado, Rossetti stained glass, de Morgan pottery and gillow furniture, and chairs certainly designed by Shaw himself, it is a warm welcoming room. The paintings now on the walls replace Armstrong's own collection, much of which was dispersed in the twenties, which had been divided between the Pre-Raphaelites and doggy histories by local painters (some of the latter remain). The replacement is a fine collection of Evelyn de Morgan's paintings, loaned by the de Morgan Foundation and previously in Battersea House. They look entirely at home.

The dining room has an odd atmosphere. It smacks of the gentleman's den—wood paneling on walls and ceiling, olive leather dining chairs and Turkish carpet—yet the room was designed equally for family meals and entertaining on a

grander scale. The massive stone fireplace has a hospitable inglenook, complete with stained glass windows and the table, which is circular, has an ingenious system of extension worked by pivoting the top.

The work of restoration at Cragside has taken two years although negotiations to take the house from the Treasury had taken far longer. Massive roof repairs had to be undertaken, together with redecoration virtually throughout. Much of the work was done voluntarily, by a group of 42 local women, the Cragside Care Group, which was formed initially from the Cragside Action Group who had mounted the campaign to prevent development on the site. Work on clearing the overgrown park, which includes 37 miles of path and the 7m trees and shrubs Lord Armstrong planted, has been carried out under Job Creation.

In 1890 Cragside was the guinea pig for a momentous experiment. Joseph Swan, the inventor of the Swan lamp (the centenary of which is being celebrated at the moment in an exhibition at the Laing Art Gallery, Newcastle) installed an electric system throughout the house—the first in the country and perhaps in the world. It was powered by water

turbine, fed from the lakes above, and was merely the latest extension of Armstrong's elaborate system of hydraulically powered machinery throughout the house: lifts, split central heating, even the plants in the conservatories moved by water power.

Truly the palace of a modern magician was a contemporary comment on Cragside. The Japanese businessmen and the rich potentates who came to buy arms from Krupp Newcastle competitor's must have been bowled over by the stage-drop castle, ablaze with naked light bulbs, in which they were entertained. The range of National Trust properties has been greatly extended with the acquisition of this marvellous house.

CHESS SOLUTIONS

Solution to Position No. 259
1 RxB: QxR (if NxB: 2 RxB ch. K-B2: 3 B-R5 ch. P-N3: 4 Q-KB1: 3 RxB Resigns. If 2... RxB (or P-N3: 3 QxP mate); 3 BxP ch wins the queen.

Solution to Problem No. 258
1 B-QB3. If 1... K-Q4: 2 B-Q7. K-Q5: 3 B-Q8. K-Q4: 4 R-Q3 mate. If 1... K-Q4: 2 B-Q7. K-K4: 3 B-QB5. K-Q4: 4 R-B5 mate. If 1... K-K4: 2 R-Q3. K-B5: 3 K-N7. K-K4: 4 B-Q8 mate.

Quadro Hotteterre

This little bundle of fun is an ensemble of two recorders, harpsichord and cello from Holland. The players are distinctively second-generation Dutch-authentic: that's to say, Kees Boeke and Walter van Hanwe studied the recorder with Bruggen, and Bob van Asperen the harpsichord with

The swooning sounds of flatterer fingering (an extreme form of vibrato which causes pitch to fluctuate disconcertingly) added precisely the right expressive edge to the soft, complaining French music: a profusely ornamented, fluttering Grave by Hotteterre himself; a rhapsodic Sonnet by Pierre Gaultier. The early baroque flourishes of the Italian composers were given a far crisper treatment, brilliantly lit roudades in the sectional Sonatas of Cima and Merula, piercing chains of dissonances in Turini, and a seemingly endless sequence of glinting, rhythmic semiquavers in a solo Ricercar by Vivaldi.

MUSIC

NICHOLAS KENYON

Leonhardt. They have all inherited the concern for a faithful following of contemporary treatises in matters of performing style—but they also leave room for an idiosyncratic personal response to the music, as revealed at the Wigmore Hall on Thursday.

Flexibility is the keynote of their performance, in matters of tempo, phrasing, rhythm and even pitch. Those wearied by the machine-gun rat-a-tat-tat of English recorder playing can have little notion of the warmth and variety with which these Dutch players imbued French and Italian sonatas and suites. On Thursday at the Wigmore Hall they drew the stylistic contrasts as strongly as possible, by presenting early 18th-century French alongside early 17th-century Italian works, and by preferring the low alto recorder in the French works while using the high recorders for the Italian repertoire.

But still there was no rigidity in the playing: as in cellist Wouter Moller's Boismortier Sonata earlier in the evening, there was a real understanding of the need to punctuate these long baroque movements, relaxing into cadences rather storming past them, picking up speed gently and always keeping the articulation alive. Bob van Asperen added four startlingly powerful harpsichord pieces by Antoine Forqueray—none the worse for being transcriptions of gambas works, they showed that depths of eloquence are not confined in the French repertoire to Couperin and Rameau. But if you need convincing that the recorder is a musical instrument, this is your evening: the group is touring England for the next fortnight on the Early Music Network; catch it.

THEATRES THIS WEEK

KING'S HEAD, Upper St. N1—*Hoagy*. *Big* and *Wolfgang Beethoven*. *Bunhouse*. *Lively* play about *Hoagy* (Car-michael). *Big* (Beiderbecke) and *William Moenhausen*, with some devoted cornet-playing. Reviewed Tuesday, Wednesday. At lunchtime, some lightweight Irish chat about James Joyce. Reviewed Tuesday, Thursday.

HAMPSTEAD—*Normal Service*. Extremely funny play about life in the design room of a provincial television station. Reviewed Wednesday, Thursday.

RIVERSIDE STUDIOS—*Albion River Hymn*. The delightful Albion Band in a moderate riverine fantasy. Reviewed Wednesday, Thursday.

OLIVER—*The Fruits of Enlightenment*. Tolstoy's monstrously overblown attempt at a farce about spiritualism, employing a vast company with too much to say. A collector's piece. Reviewed Thursday, Friday.

EVERYMAN, Liverpool—*No More Sitting on the Old School Bench*. Unconvincing business in a school staff-room linking discipline with racialism. Reviewed Thursday, Friday.

BUS—*Subjects for Interrogation*. Two views of the impact of science on discipline, neither very convincing. Reviewed Friday.

AND NEXT

The International Puppet Theatre Festival with the British Beoulx at the Cottesloe, the American Bread and Puppet Theatre at the Riverside Studios and the Russian Bolshoi Puppets at Sadler's Wells. On Wednesday, *The Crucifer of Blood* (once Sherlock Holmes's *The Sign of Four*) makes its delayed debut at the Haymarket; and a long-anticipated American musical, *Ain't Misbehavin'*, comes to Her Majesty's.

CONCERTS

WIGMORE HALL

Tickets from Wigmore Hall, 38 Wigmore Street, W.1. (01-935 2143)	Programme
Friday March 16 p.m.	CRAIG SHEPPARD piano Final concert in the series Wigmore Master Concerts Disc Series
Friday March 16 p.m.	THE NASH ENSEMBLE Amelia Freedman Mgt.
Saturday March 17 p.m.	An Evening with JONATHAN MILLER The Dramatic Phrase Harold Holt Limited
Sunday March 18 p.m.	WIGMORE CHORAL SOCIETY Wigmore Master Concerts Disc Series
Monday March 19 p.m.	CARL DOLMETSCH recorder James Dolmetzsch recorder Joseph Saxby harpsichord Marguerite Dolmetzsch viola da gamba
Tuesday March 20 p.m.	DACOSTA LINHARZ guitar Wigmore Master Concerts Disc Series
Wednesday March 21 p.m.	FITZWILLIAM string quartet Wigmore Master Concerts Disc Series

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VLADIMIR SPIVAKOV violin

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ZDENEK MACAL

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CLIFFORD CURZON

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TCHAIKOVSKY

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Chopin
Rachmaninov
Bartok

Symphony No. 3 (British premiere)
Symphonic Dances
Suite, The Miraculous Mandarin

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TCHAIKOVSKY
MORAY WELSH
TCHAIKOVSKY

Russian and Lullaby Overture
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MIKHAIL PLETNYEV

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BACH: Partita No.6 in E minor

BEETHOVEN: Sonata No.28 in A, Op.101

PROKOFIEV: Sonata No.7 in B flat, Op.63

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RAYMOND GUBRAY presents TUESDAY 2 APRIL at 7.45 p.m.

MORAY WELSH cello

ANTHONY GOLDSTONE piano

BEETHOVEN: Variations on a theme from J. S. Bach

JARACOCK: Polka for Cello and Piano

BRIDGE: Song and Melody

FRANCK: Sonata in A

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Saturday March 17 1979

The fruits of winter

THERE HAS been a lot besides snow to recall a bitter winter this week. A number of inflation indicators, a determined attempt by the Bank of England to tighten monetary conditions a little further, and an apparently equal determination by the Chancellor to leave fiscal matters pretty much where they are all bear witness to a winter which has done considerable but still unknown damage to the economy, and weakened the Government almost fatally. With a strong pound, and growing evidence that the wage explosion contained more noise than blast, it is still not clear how much needs to be done to counter the inflationary pressures which resulted. But whatever it is, the Bank will have to do it.

Special deposits

The Bank's caution was expressed not only in the Bulletin, a gloomy warning against any relaxation, but in two market actions yesterday. The discount houses were forced to borrow at penal rates from the Bank for a week in an effort to reverse the recent fall in three-month rates, while further special deposits were released to discourage any inflow of very short-term money from overseas; and a further issue of Government stock was announced, on rather unusual terms.

The new issue looks like a tender, but unless demand is very strong, it will prove instead to be a stag-proof tap. If the market moved up in the next four days, the tender should ensure that the authorities share the benefit. This approach, clearly a response to the extraordinary stagnation of the last issue, speaks both of determination to fund the well ahead of need, and continuing uncertainty over the trend of interest rates, especially at the long end.

There is every reason for uncertainty, for none of the important numbers—the inflation rate, the demand for bank credit, or the weight of foreign demand for sterling and UK securities—can be forecast or even plausibly guessed. The banking figures for February, suggesting a further 1 per cent rise in the money supply, reflect strong demand for bank credit, but how far this represents inflationary pressures, and how far it simply reflects the disruption of trade during the lorry drivers' strike, will not be clear for at least another month.

Inflation rate

The most recent inflation figures show a rising rate, probably reaching double figures very shortly; but part of the recent increase has been due simply to a harsh winter, which sent seasonal foods up to record prices. The Price Commission index, normally a

reliable forward indicator of trends, has tended to overstate the size of prospective movements. Industry, under foreign competitive pressure, may not be able to use all the headroom it has gained.

The change in sentiment about sterling was seen not only in the week's rates, but in the financial response to the belated launching of the European Monetary System. Before the expected launch in January, British investors rushed into Irish stocks, expecting that the Irish punt would be a hedge against the depreciation of sterling. This time the hedging is the other way: Irish securities are weak because the pound looks prospectively strong.

If sterling's rise is resumed next week because of the higher short-term interest rates which have now been imposed by the Bank, it will be clear that the authorities face the dilemma which is familiar to all managers of hard currencies: can the money supply be controlled without putting an intolerable competitive squeeze on exporters.

The sad thing is, of course, that this dilemma is completely avoidable. We have been arguing for many months that an excessive public sector borrowing requirement actually hampers the economy instead of stimulating it, because it forces up interest rates. It is now clear that high interest rates add a further squeeze by dragging up the exchange rate in their wake. This is also, of course, one of the ways in which a firm monetary policy—even one which is temporarily behind target—helps to check inflation; but recent complaints from British industry show that the dose is now painfully strong.

Fiscal squeeze

Until a few weeks ago, the Prime Minister and the Chancellor were threatening to counter excessive wage increases with a fiscal squeeze. This was the right policy, but adopted for the wrong reason: the need was to reduce the excessive borrowing set off by last year's budget. The Chancellor had apparently not realised that a really rough winter in labour relations would so undermine the Government politically that he could no longer adopt tough policies. He now argues that he can afford a neutral budget because the wage rises might have been worse—which is the wrong policy for the wrong reason.

However, he is at least clear now, as he was not at this time last year, that a so-called fiscal "stimulus" would under present circumstances backfire, and lead only to higher inflation and higher unemployment. As long as we can learn from experience, we can go on hoping for less wipery conditions,

ONLY AN unforeseen calamity, it seems, can now prevent the conclusion of the peace treaty between Egypt and Israel for which President Carter has laboured so doggedly. In itself the achievement was a remarkable tour de force that will at least give him some transient glory and enhance his waning prestige at home. He returned to Washington in the early hours of Wednesday morning with the glittering prize virtually in his grasp. But even as he bathes in the glow of its reflection, he must be wondering if the agreement has the substance of gold or of a base and brittle metal.

For the West, the most positive aspect of the treaty is that it formalises the detente between the two states dating back to the disengagement agreements negotiated by Dr. Henry Kissinger and goes a long way to precluding the possibility of Egypt going to war against Israel in the indefinite future—even if President Anwar Sadat's regime is replaced by another. By effectively detaching Egypt from the Arab confrontation against Israel, it very much lessens the chance of a conflict in the next year or two. Even with Egypt included in the equation, Israel's military superiority was overwhelming. It will be increased by further U.S. commitments to the Arab exalted by Mr. Menachem Begin as the part of the heavy price Washington will pay for the treaty.

Action on two fronts

Hitherto, it has been a basic Arab assumption that there can be no option of war against Israel without co-ordinated action on two fronts. But if the Syrian-Iraqi merger agreed last November creates a meaningful union, the Lebanon is brought firmly under the heel of Damascus and Iranian support for the Palestinian Liberation Organisation materialises into military assistance on a sufficient scale, then the Arab "Eastern Front" could become a plausible one by itself.

For the time being, however, Israel can feel more secure than at any time since its emergence as an independent state in 1948. As yet, it is not known precisely what form of words was arrived at to reach a compromise between Mr. Sadat and Mr. Begin settling the thorny question of Egypt's existing obligations to come to the defence of Arab states attacked by Israel (dating back to 1881) and the prospective treaty. This together with the issue of the "linkage" of the Israeli-Egyptian bilateral pact to the progress of establishing Palestinian autonomy on the West Bank and in the Gaza Strip, has been the major sticking point in the negotiations. Intense Israeli opposition to Egypt's insistence on giving priority to existing Arab commitments was understandable, if at times irritatingly legalistic. A semantic

solution, open to differing interpretation, is believed to have been reached whereby neither treaty has precedence over the other. In practice, Israeli fears need not be acute on that score. Volatile though he is, Mr. Sadat—having placed his destiny in American hands—without doubt intends fully to honour the treaty for as long as Israel does.

Considerable scope exists for friction over its implementation, though, especially in the ill-defined area relating to Palestinian autonomy. Israel is understood to have done no more than undertake to bring it about "as expeditiously as possible after the parties reach agreement" in a "letter" attached to the treaty. If negotiations on this vital issue were to go sour and Mr. Sadat were to come under intolerable pressures from other Arab countries, the possibility of Mr. Sadat reverting to a belligerent stance against Israel cannot be ruled out.

It is also legitimate, if pessimistic, to ask questions—as the Israelis inevitably have—about the future of Mr. Sadat's regime and whether a treaty would survive his political or physical demise.

For ideological reasons as much as opportunism, his negotiations have been bitterly opposed by the "Nasserites" nostalgic for the late President's leadership of the Arab world in the struggles against Israel, Communism and the Moslem Brotherhood and other religious extremists who must have been stirred up by the general Islamic ferment. Intensified activity and subversion can be expected from these repressed political elements, who will find no shortage of backers outside Egypt as calls for Mr. Sadat's overthrow by the Palestinians, Libya's Colonel Muammar Gaddafi and others become more inflammatory.

However, the "rejectionist" forces at home and abroad have failed to grasp the fact that the overwhelming majority of war-weary, impoverished Egyptians has been in favour of Mr. Sadat's initiative and against a return to the belligerent attitude which has cost Egypt so dear. The greatest underlying danger to Mr. Sadat's maintenance of power must be popular discontent over the country's desperate economic condition of the kind manifested in the bread riots early in January 1977.

Thus, the threat of sanctions by other Arab countries and, most seriously, the withholding of aid by the Gulf oil producers, which annually have been providing about four times as much as the \$1bn given by the U.S. is a very serious one. It places a very heavy burden on Mr. Carter's Administration—at which Congress will blanch—as well as other sympathetic Western countries.

Even making the most optimistic assumptions about the treaty, Mr. Carter can claim only that it will help the region's stability only to a limited and uncertain extent. Acute concern about Communist encroachment on the oil-rich Arabian peninsula, was one of

THE MAIN POINTS OF COMPROMISE

PALESTINIAN AUTONOMY:

The problem of so-called "linkage" of the Israeli-Egyptian bilateral agreement to progress on establishing Palestinian autonomy on the West Bank and in the Gaza Strip is understood to have been settled by an Israeli undertaking to implement self-rule in both territories. It will be included in a separate letter, not contained within the treaty itself. Negotiations involving Israel, Egypt and the U.S. are to start within a month of signature.

GAZA STRIP:

In anticipation of the refusal of West Bank representatives to negotiate, Israel has promised to consider allowing talks in Gaza to start separately and the possibility of Egyptian liaison officers being stationed there.

PRECEDENCE OF TREATIES:

A form of words has been adopted to overcome Egypt's existing obligations to come to the defence of other Arab countries if they are attacked by Israel. Egypt is believed to have agreed that neither treaty should take precedence over the other.

ISRAELI WITHDRAWAL:

Israel is to provide Egypt with a detailed plan for phases of withdrawal during the nine months following signature. In this period it is to complete a pull-back to a line from El Arish on the Mediterranean to Ras Mohammed at the tip of the Sinai peninsula.

EMBASSADORS:

Egypt has agreed to exchange envoys 10 months after the treaty is signed.

OIL SUPPLIES:

Israel has dropped its insistence on a clear guarantee from Egypt to supply oil from the Sinai fields to be returned in the first phase of withdrawal, although it is prepared to sell under a normal contract. The U.S. is to guarantee supplies to Israel for 15 years.

the driving forces behind Mr. Carter's almost frenetic bid to clinch the treaty, for which the American President had originally set a deadline of December 17 last year. But the bleak fact is that the pact will probably be the main-spring for greater instability—unless the U.S. can follow it up with more diplomatic miracles.

Mr. Carter expressed the hope that the Egyptian-Israeli treaty would be the corner-stone of a single comprehensive settlement embracing all parties to the conflict. That was his goal two years ago. The treaty just negotiated is only another move forward, albeit a dramatically large one, along the lines of the "step-by-step" approach pursued by Dr. Kissinger in negotiating Israel's disengagement agreements with Egypt and Syria in 1974-75. Even as a partial solution, it falls far short not only of the expectations of the Arab world at large, quite apart from the Palestinians, but also Mr. Carter's own vision of two years ago.

At the outset he was quick to identify three elements vital to any comprehensive solution. One was that a "real" peace should provide for special security arrangements, at least for an interim period, and "normalisation" of relations between Israel and its Arab neighbours. The other two were withdrawal from nearly all Arab territory occupied in 1967 and the satisfaction of the Palestinians' need for a "homeland." Under the Camp David accord, agreed last September, Israel agreed to negotiate "full" autonomy for the West Bank and Gaza Strip, with transitional arrangements for the territories over a five-year period. At the

end of the period, with a self-governing authority established, it would withdraw its military government. In effect, Israel has obtained a bilateral treaty with Egypt which does not in any way bind it contractually to carrying out these obligations.

The provisions in the Camp David accords relating to their autonomy were dismissed from the start by the inhabitants of the West Bank. Their violent protests this week indicate that they are even more irrelevant now. Meanwhile neither the original accords nor the treaty makes any reference to the future of East Jerusalem or the Golan Heights, an omission that inevitably alienated President Hafez Assad's Syria from the peace "process."

Pious hope

Egypt is now looking to the U.S. to bring about a satisfactory formal autonomy on the West Bank and in the Gaza Strip. Indeed, American participation in the negotiations, if they take place, constitutes the only effective "linkage" between the treaty and the plans for self-rule. The pious but unrealistic hope of Washington and Cairo is that the foundations for the emergence of a Palestinian entity have been laid. Yet even if Israel was prepared to renounce real control of the West Bank and renounce further Jewish settlement there, its inhabitants are unlikely to conform with any design unless it is backed by the majority of Arab powers. These would have to include the Palestine Libera-

tion Organisation, the leader of which, Mr. Yasser Arafat, has responded by calling for Mr. Sadat's overthrow and greater resistance to Israeli occupation. Perhaps the Camp David framework was the best that could be achieved, given Mr. Carter's inability or unwillingness to apply American leverage on Israel to obtain something more acceptable to the Palestinian people and the rest of the Arab world. However, only blind faith or a grave misapprehension of reality can have allowed him to hope that Jordan, let alone Syria, would accept an Egyptian-Israeli fait accompli and then salvage what they could.

King Hussein would like to play a part in bringing the West Bank and East Jerusalem back under Arab rule—and if possible recovering some symbol of his old sovereignty over them. But with Palestinians making up the majority of his subjects, he could not have afforded politically to be associated with the Camp David Framework for Peace in the Middle East, which—without his assent—designated Jordan as a negotiating partner. The high-powered mission led by Dr. Zbigniew Brzezinski and belatedly dispatched by Mr. Carter to him has only the slimmest prospects of changing his mind.

It can expect an even more sullen reception from the Saudi leadership, whose endorsement is essential for any lasting settlement in the Middle East. Already gravely affronted about the lack of consultation with Riyadh about the peace negotiations, it will have no choice but to condemn a treaty that offers no promise and scant hope of acceptable Palestinian autonomy, or of complete withdrawal from occupied Arab territories. The outcome of Mr. Carter's diplomacy has placed the Kingdom, the Arab oil power with which he should be most concerned, in any case strategy for the stabilisation of the region, in a most invidious position. Crown Prince Fahd and his princely colleagues feel that they have been taken for granted.

Mr. Carter's suggestion that the Kingdom might form a de facto defensive alliance with Israel and Egypt not only showed astonishing naivety but was also deeply offensive. There has always been a latent contradiction between two basic axioms of Saudi foreign policy: the cultivation of close friendship with the U.S., and the fostering of maximum pan-Arab consensus. Not since the October War of 1973 has the traditional monarchy felt the conflict so painfully. It retains its anxiety that a moderate, pro-Western regime should remain in power in Cairo, but it cannot underwrite the treaty which Mr. Sadat is about to sign.

The Arab world banks most heavily on Saudi Arabia, as its major oil power, to use its potential "leverage" on the U.S. to deliver a satisfactory settlement. Its Royal House is uneasily aware that it may one day suffer a backlash from radi-

cal forces if its efforts to that end are judged inadequate. Moreover, the deterioration in its relations with the U.S. could not have come at a worse moment for Saudi Arabia. Still shaken by Mr. Carter's failure to save the Shah of Iran, the monarchical regime has watched what it sees as a Soviet pincer movement from Afghanistan and Ethiopia close in upon it and its fears have been heightened by the fighting instigated by the Marxist régime in South Yemen with North Yemen three weeks ago. Precisely at the moment when it feels most the need for both show and substance of U.S. protection, the Kingdom is most embarrassed to be seen receiving or requesting it.

In unequivocal terms, Prince Saud al Faisal, the Kingdom's Foreign Minister, said two weeks ago that the Kingdom rejected treaties outside "the Arab and Islamic framework" and he paid tribute to "the positive attitude adopted by the Soviet Union towards Arab issues." His Government has seemed to welcome speculation, unwelcome to the U.S., about the possibility of diplomatic ties between Riyadh and Moscow—even if it is believed to have rejected actual Russian overtures. As a result of Egypt's treaty with Israel, Saudi Arabia will move closer to Syria and Iraq. However, at the Baghdad summit in November, the Saudis were a moderating influence and were successful in preventing Mr. Sadat from being carried beyond the pale. Indeed, the alignment formed there—between hard-line Iraq and Mr. Saddam Hussein, its militant leader, implicitly to accept for the first time the concept of a negotiated settlement with Israel.

But reluctant though it may be, Saudi Arabia is now facing pressures to join in implementing sanctions decided at Baghdad, which could be irresistible. Regardless of its interest in the West's economic well-being, the Kingdom may well feel constrained to reconsider its policy of keeping in check oil price increases and also to review its production policy. Mr. Carter's triumph could prove to be a very hollow one, indeed.



Mr. Carter: gold or base metal?

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Letters to the Editor

Borrowing

From Mr. D. Sibley

Sir,—Though Peter Baker (March 13) complains about the high level of public sector borrowings, the fact is that in 1945 the National Debt exceeded 2½ times the GNP; today it is little more than half the GNP.

Faced with this trend, one is led to wonder to what extent the public sector is really a borrower at all. The cause of the trend is, of course, inflation. With this at 10 per cent, the annual erosion of the real value of the net public sector debt is around £10bn, not far from the current annual borrowing requirement.

To eliminate the obfuscating effect of inflation, imagine how the Government would have to behave to produce the same results in a non-inflationary environment. We then have a picture of how the Government effectively behaves. It compounds with its creditors, yet goes on borrowing. It writes off each year a tenth of its debts and simultaneously raises new loans of similar value.

The private sector thus loses much of the capital value of the debts it presently holds, but it continues to lend more because the yields on new issues are high enough to compensate, to some degree, for the write-offs thereon. The losers are those who invested in the past at much lower yields, or who pay out much of today's yields in tax.

It is true that new net borrowings allow the Government to spend more than it receives in tax, but much of this spending goes to pay the high coupons on the more recent borrowings. With no recent borrowings, the public sector would not doubt be able to fund would no doubt be able to fund at 31 per cent or less. So the 31 per cent interest above (say) 3½ per cent on any gilt can be regarded as a premium to compensate for inflation. The total of such premiums on quoted gilts and Treasury Bills, held outside the public sector, is

around £3bn. It appears reasonable to add another £14bn for local authority and public corporation debts.

Therefore, if all public sector debts were converted to an inflation-proofed basis, the borrowing requirement would be halved.

D. E. A. Sibley,
Roe Rudd & Co.,
83 London Wall, EC2.

Railways

From the Editor

Railway Gazette International. Sir,—The French Government agreed on March 7 with its railway, the SNCF, the terms of a four-year contract which was so tough financially as to provoke a national rail strike. Despite this, and the fact that SNCF already has 6,000 miles under construction, electrification is to continue at 100 miles a year with the aim of raising the proportion of traffic hauled electrically to almost 90 per cent by the year 2000.

Many SNCF lines to be converted under this programme carry far fewer trains than those which British Rail proposes to electrify, a prospect which Mr. Leslie of the British Road Federation finds "depressing" (March 13). Yet the SNCF sees a sound financial case for electrification, and the Government agrees.

True, oil and electricity costs in France favour use of the latter for traction, but this simply reflects official policy which is to reduce dependence on oil whenever possible. Oil saving, in fact, was the argument which finally clinched the case for building a new 160 mph railway from Paris to Lyon due to open in 1981-83. British Rail makes no claim that a conventional financial case exists now for electrifying main lines. The point is that if oil supplies do become tight, public spending will be severely constrained by economic recession (as happened in 1974-75) and it will then be to late to convert the railways to electric

traction. As with the conversion of power generation from oil to coal, lead times are long, and it is necessary to start now in order to arrive at the desired objective of significantly reduced dependence upon oil in the 1990s.

The point about BR being low down in the electrification league table is not one of prestige: it merely serves to emphasise that many other countries have invested in electrification, and I have yet to hear anyone express the view that this money would have been better spent in other ways. We could all be wrong about the forthcoming oil shortage, but electrifying our railways would be useful insurance of a kind which is most unlikely to be condemned as wasteful by future generations. Richard Hope, Dorset House, Stamford Street, SE1.

Housing

From the Leader of the Opposition, Greater London Council.

Sir,—Your leading article concerning the sale of council houses (March 13) is an interesting attempt to introduce logic to what is normally a confused and emotive issue. Unfortunately you accept without question a number of myths that on inspection prove to have no substance.

The most important deficiency in your argument is the implicit assumption that all council properties are of broadly similar quality—"it is hard to see any justification for restricting sales in areas where there is no longer a general shortage." In fact, much local authority housing is of low quality: good housing is, I would say, in universal short supply. Sales, of course, are concentrated on the best-quality properties in the areas of least housing stress. Greater London Council experience has shown that only 9 per cent of the properties sold were in the stress boroughs, 45 per cent in outer

boroughs and 46 per cent outside Greater London. Virtually all the best sales are in houses, not flats, even though flats comprise about three-quarters of GLC's stock. Virtually all these sales are in areas with high levels of owner-occupation. In other words, sale of council housing creates an imbalance both in quality and in distribution of housing available for letting.

The argument over what is a "genuine" shortage is similarly arid. Sale of council housing does nothing to eliminate the shortage, but it does reduce the ability of the local council to deal with problems as they arise. The suggestion that mobility will be increased does not bear examination. Studies of previous periods of sales have shown that purchasers are less mobile than either tenants or other owner-occupiers. Nor is the public purse relieved to the extent that you suggest. Sales have predominantly involved owner houses whose original costs have been paid off and whose rents yielded surpluses in excess of running costs. Once sold, the purchaser receives tax relief, a subsidy renewed at every subsequent sale. You are also wrong when you say that sales increase individual freedom. Because so few can or wish to buy—only 1½ per cent of GLC tenants have indicated that they wish to buy—sales widen choice for a few and take away choice for the vast majority who are in no position to contemplate purchase. From this it can be seen that sales do not "soften the cycle of poverty." It is a policy which accentuates that cycle. Those who can buy are generally well off already, typically sitting tenants whose children have left home. For example, studies have shown that council house purchasers tend to be better off than recipients of local authority mortgages.

Mr. Shore's action is particularly aimed at the sale of vacant homes, this undoubtedly reduces the ability of local authorities to meet housing needs. GLC has kept between 2,000 and 3,000 houses empty at a total cost in excess of £1m, and has been obliged to tell tenants that transfer out of high-rise or unmodernised blocks is impossible unless they wish to buy their way out. You claim that a local authority tenant, becoming an owner-occupier generates a chain of moves, thus helping those in housing need. This is not applicable to selling council houses; it would be applicable to helping tenants buy in the private sector, a matter not raised in your article.

Conservatives back their sales policy by claiming that it gives greater choice, but concentrate their sales in areas where rented accommodation is scarce. You say that they see this as a way of reducing public expenditure on housing; in fact, the best way to do this is to stop building, and that they are doing, too. Sales policy does not save money.

Finally, you say that local councils could find themselves with homes they can neither let nor sell. That day is a long way away, in London at least, and in any case will involve those barely adequate homes unsuited to modern living. The sales policy you advocate so misleadingly would make local authority housing a poorer service, especially as the arguments you use are taken up to support a policy more regressive than your own suggestions. (Sir) Reg Goodwin, County Hall, SE1.

From the Head of Public Relations, Metropolitan Borough of Stockport.

Sir,—You report that the lowest percentage increases in household rates are expected to be in inner London where rates are running at 13 per cent. In Stockport, the domestic rate rise this year will be 9.8 per cent and this is despite a very savage reduction in our share of government grant and

a 22 per cent increase in the Greater Manchester County precept. At the same time, Stockport council is still able to effect improvements in key services—education, housing and social services. There is no magical formula for this achievement. It is simply a result of sound management. Huge savings have been made by eliminating waste without impairing services. The introduction of some of these cost cutting measures met with strong resistance from trade unions, entailing industrial action on at least two occasions. The council, however, has taken a resolute line in asserting the right of the elected representatives to determine the level of services that the community could be expected to afford.

The full benefits of this policy is now being realised. Services have been improved: the rates position is stabilised; existing jobs for union members are secure (there has been no compulsory redundancy programme); and the salary grades offered by Stockport are competitive with other comparable authorities.

One final point of significance is that in preparing this year's budget the council virtually ignored the Government's forecast for pay and price inflation; it made its own more realistic estimate of the likely trends. As a result, the council is able to cope with the present level of inflation and still maintain a healthy balance for contingencies and cash-flow funding. Brendan P. Murphy, Town Hall, Stockport.

From the managing director, R. W. Friedel and Co.

Sir,—When ten gallons of petrol cost over £10, in whatever units it is sold (Mr. Dunkley, March 13) the 110,000 petrol pumps will not be able to charge over £10.

R. W. Friedel, 6 Frogmore Road, Hemel Hempstead, Herts.

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Time to look again at Lonrho

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IF CITY is going to have to think its attitude towards Lonrho. The Monopolies Commission's report on its proposed bid for Scottish and Universal Investments (SUITS), which was published on Thursday, did mark a turning point in the relationship between the financial community and this for trading and industrial conglomerate.

Lonrho's poor public image, the result of mere prejudice, was not the result of a series of public controversies, which have raised the gravest misgivings about its style of management. But the Commission has set in judgment on Lonrho, and in approving its bid, it has thrown a new light on the way the company runs its business.

Strong character

The reasons for the City's concern were summed up in the report of the group by the Department of Trade's Inspector, which was published in 1976. The inspectors referred to the strong character of Lonrho's chief executive, R. W. "Tiny" Rowland, whom they described as a man of "vision, negotiating ability, imagination and personality unusual measure coupled with an unbounded energy to his talents."

They also highlighted "a serious on Mr. Rowland's part to withhold information or to mislead the Board or shareholders, which has been a course of conduct that is condemnable."

Chief executive who presided over his Board in a "Christmas tree" style was unlikely to inspire confidence during the austere climate of the mid-1970s. In 1975, moreover, he started a rush of takeovers in the UK, and has since

spent about £150m (largely in cash) on businesses which range in quality from the Volkswagen franchise to the loss making Brentford Nylons. Often it seemed that Lonrho's main reason for buying a company was that it was for sale.

The result is that Lonrho today has remarkably few institutional shareholders for a company of its size and importance—profits last year reached nearly £94m pre-tax. At least one important fund management group has actually gone so far as to blacklist its shares. And on the stock market, Lonrho is rated as a very high risk security. Although its dividend appears well covered by reported earnings, its shares have recently been yielding well over 14 per cent.

But the Monopolies Commission report puts a different focus on Lonrho. In the event the Commission did not have to decide how a successful bid for SUITS would affect competition in the market place, since this was a case of one conglomerate bidding for another. Such a bid, it says, would not give rise "either through vertical or through horizontal relationships between the two companies to any issues of restriction or distortion of competition such as we are usually concerned with in merger inquiries."

Instead, the main thrust of the report is an appraisal of Lonrho's management and corporate strategy. The majority of the SUITS directors alleged that a merger with Lonrho would bring their company big disadvantages. Lonrho, they said, had too much debt in the UK, and was too heavily exposed to politically vulnerable areas of Africa. Tiny Rowland was over 60, and it was a matter of doubt whether his personal brand of diplomacy could be replaced.

Similar fears were expressed by various trade unions, in-

LONRHO: THE TERRITORIAL SPREAD					
Net assets*	1974	1975	1976	1977	1978
United Kingdom	-3.7	9.2	43.9	66.6	73.4
Overseas:					
Africa	125.5	171.9	237.0	227.4	248.8
Subsidiaries	23.5	28.5	23.9	37.1	39.1
Other companies					
Europe, Mauritius	21.0	35.2	36.4	35.8	41.2

* As at Sept. 30 except unaudited figures for March 31, 1978.

Source: Monopolies and Mergers Commission

involved, and by the independent directors of House of Fraser, the stores group. Lonrho already owns just over 10 per cent of Fraser, and a successful bid for SUITS would bring with it another 10 per cent of the Fraser shares.

If that happened, said the Fraser directors, the business of its high quality department stores could be "seriously and adversely affected" through restrictions on spending and the expansion of the group's activities into wider fields not consistent with its quality image. Such steps, they claimed, could be particularly damaging to Harrods, the London store which is the jewel in the Fraser crown.

Consultancy

To test these claims, the Commission has all but turned itself into a management consultancy group. And its conclusions suggest that Lonrho has more management in depth than has often been assumed.

At present, it says, the group is divided into 21 management regions, which are formed either on a functional or a geographical basis. Each region has under it a number of profit centres,

and its performance is reviewed by a finance committee under the chairmanship of the finance director.

The report states that this system provides a wide range of management and financial information at the end of each quarter, and a profits summary monthly. Within its approved budget and reporting requirements, the group is given the maximum autonomy. Expert help is on tap either from head office or from consultants who are available on call to regional chief executives.

Subsidiaries maintain their own banking arrangements, and funds to meet head office needs are normally obtained via dividends or loans from the operating subsidiaries. The Commission has found evidence that subsidiaries "generally have had access to adequate funds to finance their development."

The Commission has also been satisfied that Lonrho—on the basis of its past history including its activities in the UK during the past 10 years—can not be classified as an asset stripper. And new figures in its report show that although both the Dunford and Elliott steel-making businesses and the textiles side are still losing money, some of its UK purchases seem to be

flourishing. Volkswagen made a profit of £3.4m pre-tax in the half year to last March. AVP Industries and London City and Westcliff came in with £3.5m and £2.2m respectively.

Most flattering of all from Lonrho's point of view is the report's verdict that the entrepreneur drive of Lonrho, coupled with its wider industrial and commercial experience, could actually be of benefit to SUITS and in the long term, to the prospects of employment in Scotland where SUITS is based.

One paragraph of the conclusion is worth quoting in full: "In general we have no doubt that Lonrho is a dynamic organisation committed to a policy of expansion and prepared to accept considerable risks in pursuit of this policy. Lonrho in its present form is very largely the creation of Mr. Rowland and it is clear that his personal style of management is firmly imprinted on the company and influences the entrepreneurial character of its policies. We recognise the achievements of Mr. Rowland and we believe that his experience in Africa will be hard to replace, but we do not think that the company's continued prosperity is unduly dependent upon him."

Of course the doubts about Lonrho are not all going to be resolved by this report. Indeed, the document highlights one of the main areas of concern about the group, which is its heavy reliance on short term borrowing in the UK—the result of all these acquisitions.

A new breakdown by the Commission shows that, as of last March, Lonrho had net assets in the UK of £73.4m. Against this, there were net current liabilities of no less than £45.8m, and long and short term loans of £66.3m of which the bulk were repayable within five years. Expressed another

way around, total funds employed in the UK amounted to £244m, excluding the debt of the export confirming houses, and borrowings of one kind or another accounted for £182.6m of this figure.

Asked by the Commission how its borrowing facilities matched up to its likely requirements, Lonrho replied that "future facilities remain to be renegotiated to the required level." It also referred to negotiations for a medium-term loan of about £50m, and said that certain disposals were under consideration. A measure of the financial pressure is the fact that it also asked the Commission to bear in mind that it could get substantial sums out of the Beira pipeline, as a result either of the litigation in which it is engaged or of the reopening of the pipeline. Lonrho is involved with litigation against a number of oil companies in connection with losses it claims to have suffered as a result of the closure of the pipeline between Beira and Umtali in Rhodesia. The Commission, in its lofty way, did "not attach much weight" to this idea.

Financial risk

However the Commission did not think that the degree of financial risk to which Lonrho is subject is "at present such that the extension of the area affected by it, to which the acquisition of SUITS would lead, would operate against the public interest."

And a successful bid for SUITS could in itself make Lonrho's UK base significantly stronger in financial terms. If it was able to win the day with a bid made entirely with its own shares it could at a crude guess—increasing its net assets in the UK by a half or more without adding very much at all to its overall borrowing levels. The cost of such a move

LONRHO: UK LIABILITIES AND ASSETS*	
£ million	
Fixed assets	125.9
Investments	3.4
Investments in assoc. comp.	56.2
Current assets	240.8
Current liabilities	286.6
Excess of current liabilities	-45.8
	139.7
Long & short term loans	-66.3
Net assets in UK	73.4

* March 31, 1978, unaudited.

Source: Monopolies and Mergers Commission

would be a major dilution in the interests of its existing shareholders, both in terms of assets and profits per share.

That might not please the Kuwaiti interests, which own just over one-fifth of Lonrho's shares and are currently trying to replace two board directors with their own nominees. A poll of shareholders is likely in the next few weeks. And it is also likely that a bid in this form would meet strong opposition from the independent SUITS directors, who had unkind things to say about the value of Lonrho's paper when it made just such an offer last year. If it could be done, however, Lonrho's position in the UK would look very much more healthy.

Presumably the group is even now working out the tactics for its next move. There is no doubt that its task will have been made easier not just by getting the go-ahead from the Monopolies Commission, without which nothing would have been possible, but also by the way that verdict has been reached.

But if the City is going to reappraise its attitude towards



Trevor Humphries
"Tiny" Rowland—a man of unbounded energy.

Lonrho, Lonrho in turn is going to have to reappraise its attitude towards the City. It will have to stay out of public squabbles such as the one currently brewing with the Kuwaitis. It will also have to avoid accounting methods which, as one of its joint auditors told the Commission, are acceptable "though somewhat unusual." It is going to have to allow its enthusiasm (in the words of the Department of Trade Inspectors) "to operate within the ordinary processes of company management." It is, in short, going to have to behave in the sort of way that people expect major trading corporations to behave.

Life would probably be a lot duller in those circumstances. But it is in everyone's interest that Lonrho should take its place in the financial community comparable to that enjoyed by other companies of its size and international importance.

Weekend Brief

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a nation that suffers a reputation for a lack of interest in Britain is impressively supplied with Guides. This week's publication of the Good Food Guide by the sumers Association and the Fish Guide Michelin the three leaders are all out to win the cheapest at 15—and it comes in handy: printed in France—while CA's effort is the most extensive at £4.95, some 70p above Romy's Lucas Guide at 5. If you buy books by the then you get around 600 Michelin, 960 from Romy from CA's monk-like stopper. Driver not quite Romy, at two pages per lb, that basis, the best budget. But on to its pages Michelin goes to pack more than 0 hotels and restaurants. Romy total is a shade at 3,000 and Driver manages 1,000. Actual entries in Michelin run to a meagre five metres of space a time, say has a norm of around 110 and a wacking 110 is unusual for Driver.

river is unarguably the best and likely to provoke the delight, and the most fun, one great drawback is the pace of reviews of hotels, for who eats must also occasion-sleep. Michelin is strong in hat sector, even if the hierarchies involved make difficult flying under today's motor carling light.

Unfortunately the real cher for the truth may have to all three volumes. Romy tons the best eateries in the try are the Horn of Plenty Devon, the Thornbury Castle Avon, and the Inverloch in Scotland. All get three s. Michelin gives three of stars to 19 restaurants in ne but not one property in ain earns such esteem (nor Germany for that matter).

Horn of Plenty and the rnbury Castle do, however, two stars.



Drivers: length not width.

Chilled lamb

This long and bitter winter is making life very difficult for flock masters in most of Britain. Lambing has already started in many districts and the bulk of the lowland flocks will be lambing during the next two or three weeks. Only in the hills is lambing delayed until mid-April.

The damage done by the weather is twofold. Obviously young lambs out of doors will suffer in conditions of excessive rain. Snow and frost are not quite so damaging as light as it is dry. But cold weather stops pasture growth and this means that the ewes have to be heavily fed to keep them in milk. So most flocks are put to ram so that the ewes should be able to go out to grass as soon as their lambs are born. In general the British climate does not let them down but this year as in 1963 it has done so in a big way.

In bad weather a lamb is at its most vulnerable at the moment of birth. If the ewe can lick it dry in a few minutes and it is strong enough to get up and find the teat it will survive almost anything. But should it be weak or if it has one or two siblings it doesn't get the same attention and it can soon get cold and die.

An increasing proportion of flocks are now brought into barns or other shelter particularly at night. This does protect the newly born lambs from the worst of the weather but raises many other problems. They have to be watched all the time because if a ewe among many others drops its lamb it will be lost or trampled by the other ewes and cause endless trouble.

Apart from this the logistics of handling very large numbers of ewes with young lambs which have to be turned out within a day or so can be very difficult. There is also a considerable danger of infection which intensifies livestock always suffer.

Most farmers compromise by lambing the ewes in sheltered fields and bringing in any problem cases. Cold lambs can be warmed with infra-red lamps, starved lambs fed and surplus lambs can be adopted to ewes which have either lost their own

or have only had a single. A ewe's udder has only two teats so if she has triplets one of them would have a better chance if adopted by a ewe with only one lamb.

At one time this operation included skinning the dead lamb in the hopes that the ewe would mistake it for her own when the skin was placed on the stranger. The latest development is a crate in which the ewe is held while the lambs are allowed to suckle in safety from her butting and kicking. This is quite effective and is successful in about 90 per cent of cases.

A ewe knows her lambs by smell and this adoption process is simply a means of transmitting the ewe's smell to the strange lambs. Adopted lambs rear just as well but do seem to be slightly more vulnerable to bad weather because they were inherently weaker for a start or they wouldn't have been brought inside in the first place.

Once the ewes are turned out to their lambs they should not give much more trouble but in conditions like the present when there is little or no grass the ewes have to be fed. There are times when the ewes will dash up to the trailer to gobble the feed and then lose their lambs so generally feeding of this sort is put off until the lambs are old enough to be sure of finding their mothers again say at about 5 or 6 days old.

In good weather lambing is one of the most rewarding jobs on a farm but this year it is just hell.

Dogs dinner

Then there is Mother Klein's Kosher Style dog food, but we shall come to that.

Among the arsenal of techniques developed by manufacturers in search of breakthroughs on the new product front is the blitz session. The idea is that on a given day, the creative souls from the marketing department sit around a table and attempt to spark off as many new product ideas as they possibly can. Some will be humdrum, others surreal. The hope is that from among thousands of notions and scattered ideas, a brilliant idea will emerge, the blurred silhouette of a possible breakthrough that will one day make millions.

Like Mother Klein's Kosher Style dog food, it may not succeed. But it is thought to be one of the most promising novelties in the \$2bn U.S. dog food market for a very long time. The idea for Mother Klein's canned dog food is the product of the Van Leeuwen and Partners advertising agency in New York and Richard Klein, who runs a manufacturing company called Remcon.

At present they are perfecting the product and conducting market research with the hope of launching the brand this autumn. They are perfectly serious. The kosher-style dog food has already been tested in Fresno, California, where it was found to possess almost universal appeal.

Preliminary research indicates that the word "kosher" on the label is taken by most people as a synonym for "quality," which is why the original print ads in Fresno—better known for its high concentration of Armenians than Jews—adopted the headline: "You don't have to be Jewish to love Mother Klein's Kosher Style dog food." The sales were encouraging. One problem is deciding exactly what "kosher style" means. According to the agency,

it means any food that is made with the care, tradition and quality of kosher foods, but without a rabbi being on hand to supervise the slaughter and handling of the meat as required by Jewish law. According to Rabbi Isaac Klavan of the Rabbinical Council of America, the only Talmudic law about pets that he can recall is the one forbidding raising a "violent dog" in the home.

Premium time

Addicts of TV advertisements will have noticed over the past few years a growing use of this media by insurance companies. Viewers of "News at Ten" are currently being educated in the advantages of life assurance by the old established life company, London Life, by Charles Gray and Paul Eddington. Last month, two lesser known actors were introducing viewer to Linked Life investment through Pearl Assurance.

Insurance advertising on television could not have got off to a worse start. The pioneer was the British Insurance Association with its famous Fred advertisement which stated: "Get the strength of the insurance company in your room." This series appeared in the late 1960s, but in 1971 came the collapse of the Vehicle and General. This left thousands of insurers high and dry with the BIA powerless to intervene. It made a mockery of the strength theme.

In most press and poster advertisements the life companies have protected the use of life assurance for savings and tax mitigation. The original efforts on TV were aimed at a completely different side-protection providing an income for the family should the breadwinner die. Thus we saw Legal and General, the largest group pensions company in the country, projecting its family income benefits and self-employed pensions with the slogan "We cover the things you care for."

The Norwich Union had an even more impressive campaign with its "Big George" giant drag line excavator, which NU insured, and the small boy with his Meccano set—also protected by family income benefit on the life of his father. Abbey Life, the doyen of linked life assurance, ran a campaign on TV for its family protection plan. The responsible side of life assurance was being projected.

The Prudential and the Pearl, possibly the most well-known insurance names to the general public, have used TV as a selling aid for their field staff. The theme of the Pru has up to now been that of protection and security on the life side, but unashamedly offering a better service to capture motor business.

The latest effort from London Life goes beyond mere protection, where the company is a leader in this field, to the whole range of life assurance products. Insurance TV ads are now likely to broaden the approach from mere protection now that this medium has become accepted. For the connoisseur, Sun Life is running a life assurance teach-in series with Mr. Sun and Mr. Moon. And the Pru and NU have plans for new TV campaigns later this year.

Contributors:

Arthur Sandles, John Cherrington, Michael Thompson-Noel and Eric Short

Economic Diary

TODAY — Mr. Anthony Wedgwood Benn, Energy Secretary, speaks at Labour Party regional meeting. Winter Gardens, Blackpool.

SUNDAY — Southern Region train drivers meet on strike call. Engineers' Club, New Cross, London. Department of National Savings' monthly progress report (February).

MONDAY — EEC Finance Ministers meet, Brussels. House of Commons debates Government expenditure plans 1979-80 and 1982-83; also Lords Amendments, Social Security Bill, National Food Survey report on consumption (fourth quarter). Cyclical indicators for the UK economy (February). Department of Trade seminars on emergency plans to combat oil pollution. London Press Centre. National Association of Teachers in Further and Higher Education statement on 16-18 year olds' education. National Farmers Union apply and peer committee announcement on future policy. Edge Hill by-election nominations close.

TUESDAY — Unemployment and unfilled vacancies provisional figures for March. Institute of Directors annual convention. Royal Albert Hall, London. EEC Budget council meeting, Brussels. Commons debates Administration of Justice (Emergency Provisions) Bill; also Communities Energy Policy. Gross domestic product (fourth quarter provisional). New construction orders (January).

WEDNESDAY — Organisation for Economic Co-operation and Development publication of Report on Britain. Sir Leslie Murphy, National Enterprise Board chairman, is guest of honour and speaker at American Chamber of Commerce (UK) luncheon, Savoy Hotel, London. Engineering Employers Federation reply to engineers' pay claim. Commons debates Prevention of Terrorism (Temporary Provisions) Act (continuation); also motion on Temporary Short-Term Working Compensation Scheme. Financial Times two-day conference Tomorrow in World Electronics opens at Grosvenor House, Park Lane, London. Mr. Peter Shore, Environment Secretary, at Edge Hill by-election meeting, Liverpool. Announcement by Food Additives and Contaminants Committee on colouring matter in food regulations. Institute of Race Relations report on "police against black people." Mr. Terry Duffy, president, Amalgamated Union of Engineering Workers, at City of Westminster Chamber of Commerce luncheon, Quaglin's, Friday.

FRIDAY — Conservative Central Council meets, St. John's Hotel, Solihull (until March 24). Dr. David Owen, Foreign Secretary, at Cradley Labour Club meeting, Halesowen. Sales and orders in the engineering industries (December). Queen begins visit to Poole and Bournemouth.

SATURDAY — Mrs. Margaret Thatcher, Opposition Leader, addresses Conservative Central Council.

London. Mr. Reg Freeson, Minister for Housing, opens National Housing Concordia symposium on "The Cost of Vandalism," 6, Carlton House Terrace, London.

THURSDAY — Commons second reading of Road Traffic (Seat Belts) Bill; also Motion on Firearms. UK banks' assets and liabilities and the money stock (mid-February). London dollar and sterling certificates of deposit (mid-February). New vehicle registrations (February). Bricks and cement production (February). Car and commercial vehicle production (February—Friday).

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IS YOUR BUSINESS LEAST PROTECTED WHERE IT'S MOST AT RISK?

Fire. Burglary. Bad debts. Every business is aware of these and other risks, and guards against them. Takes precautions. Insures against loss. But few are prepared for the unthinkable loss. The one that a business may never really recover from. And the one you most need to be prepared for.

The death of a key man. Because buildings can be rebuilt. Equipment can be replaced. But key people make the kind of contribution that is almost irreplaceable. When a key man dies, what happens?

He may have been strongly entrenched with your major customers. He may have possessed an unparalleled knowledge of proceedings, and planning.

Or buying. Or marketing. You may never find anyone as effective as him again, though in time you may find a replacement. But how much will it cost you in the meantime? His loss may mean that you miss vital delivery dates, or lose sales. He may be your man with the bank. What if they cut down your overdraft?

Key man assurance can protect you against the consequence of these losses. And nobody knows more about it than Equity & Law.

This is only one of Equity & Law's Business Assurance schemes. There are others which may be just as vital to your business.

Talk today to your financial adviser, or contact us direct. Risk is something many of us prefer not to think about. But the alternative doesn't bear thinking about at all.



The board also want to know Mr. Bottomley how responsive the directors of Amalgamated Resins were to Combined Holdings' bid of 217p a share and should we up our bid of 208p?

Equity & Law

Equity & Law Life Assurance Society Limited, 20 Lincoln's Inn Fields, London WC2A 3ES.

Ultramar plans 10p cash dividend as profits soar

REPORTING AN advance of 53 per cent to £37.7m in profit, before tax, for 1978 Ultramar Company, the petroleum exploration concern which has extensive interests in the U.S. and Canada, also announces that after a gap of many years it is reverting to the payment of cash dividends on the ordinary shares in 1979.

The group expects to pay an interim of 5p per 25p share in November on capital to be increased by a one-for-15 scrip issue. This is expected to be followed by a final of the same amount. In the years since the last cash payment was made shareholders have received a regular scrip issue.

The chairman said yesterday that if the group had paid cash dividends in the past its growth would have been impaired and in particular it would have had to take a smaller stake in the important Indonesian venture. The group was now "over the hump" and could afford to pay cash dividends which many institutional investors preferred.

Total dividends would cost £3.5m in 1979 with ACT bringing this up to £3.7m. The chairman pointed out that the ACT was not irrecoverable but he did not expect UK earnings to be sufficient to offset it in two years.

In the final quarter of 1978 profit, before tax, showed a 19 per cent rise to £11.08m. Mr. C. L. Nelson, chairman, reports that despite adverse exchange effects, cash flow from operations—£1.9m higher at £51.65m—and profits are at record levels.

The major contributor to the results was the Indonesian operation with its first full year of profits from LNG sales. Profits were also satisfactory in the California, Newfoundland and Western Canadian operations.

In the Eastern Canadian mainland operations low product prices reduced margins and the situation was aggravated by the weakness of the Canadian dollar. Results were also affected by increased tanker rates in the last quarter, uncertainties of crude deliveries resulting from the Iranian crisis and sharply higher oil prices.

Although no breakdown of the results is given the group has on balance probably been losing money on its UK marketing operation and in Eastern Canada. The Indonesian operation accounted for at least two thirds of the profit total.

The chairman points out that the Iranian situation has caused an industry wide curtailment of crude oil supplies and sharp

price increases in some areas. He says it is too early to judge how this will affect Ultramar but the group has been strengthened and he expects 1979 to be a successful year.

After providing for tax and net foreign exchange losses of £5.47m against £4.12m, the net profit came out at £10.78m compared with £4.68m. Earnings attributable to ordinary holders amount to £8.9m (17.42p). Earnings per share are shown at 34.5p (27.8p) before exchange fluctuations and 21.4p (17.9p) after those changes.

Capital expenditure amounted to £22.96m.

1978 1977
Sales £55.133 £42.220
Trading profit 50.237 33.126
Amortisation, depreciation, etc. 12.451 8.417
Current tax 13.226 3.032
Deferred tax 8.228 8.478
Net profit 16.231 12.598
Exchange loss 5.459 4.123
Leaving 10.772 8.475
Preferred dividend 1.070 1.059
ACT written off 808 —
Ave. ordinary 8.904 7.478

A group source and application of funds statement shows that working capital increased by £14.23m to £23.27m during the year. Long term loans at the year end totalled £80.25m (£54.75m).

See Lex

DIVIDENDS ANNOUNCED				
Company	Current payment	Date	Corre- Total Total	last
			nd of	year
			div. year	
Camellia Inv.	2.25	April 25	2.25	2
Church and Co.	2.81	June 1	2.81	3.37
Flinty Pack	0.39	June 1	0.34	0.50
R. Green Props.	0.61	April 27	0.55	1.49
Hall Eng.	2.47	May 4	2.47	4.44
Hampson Inds.	0.25	Mar. 31	0.25	0.60
Johnson & Firth	1.3	July 6	1.3	4.76
Lake & Elliot	1.93	May 11	1.43	3.9
Montagu Boston	0.85	May 3	0.85	0.85
Noble & Land	0.61	April 25	0.54	0.58
W. Tzack, Sn. & T. Int.	1.25	April 4	1.25	2.85
Vickers	0.5	April 4	0.95	0.95

Dividends shown pence per share net except where otherwise stated. Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Static half for JFB: borrowings jump

UNCHANGED PROFITS of £4.02m are announced by Johnson and Firth Brown, the specialist engineering group, for the first half of 1978-79 and Mr. J. M. Clay, chairman, reports that the second six months has got off to a disappointing start.

The first half result was achieved against a background of depressed demand and rising interest rates. In addition a breakdown in the carbon wire drawing plant hit the rod and wire division and a trading profit fell here from £3.1m to £2.07m combined with an increase of £43,000 in interest charges offset improvements in the other sections of the group.

The chairman says that the transport strike and the weather resulted in the poor start to the second half, but the results should now improve.

He reports that in the first half the group spent £3.2m on capital projects. Of this some £4.5m relates to the £10m GFM project which is nearing completion.

In a move to improve the structure of the open-end alloy forging industry conditional agreement has been reached with Dunford and Elliott for the transfer to JFB of certain facilities associated with this business. In exchange JFB is selling to Dunford and Elliott a steel stockholding and processing.

The group balance sheet at December 31 shows a substantial increase in gearing. From a net capital position of £2.76m at June 30, 1978, the group now shows net overdrafts of almost £17m. The chairman explains that this reflects the substantial capital costs of the incompleting GFM project, expenditure on acquisition

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BIDS AND DEALS

Fraser disappointed by Monopolies report

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The company is being advised by Lazard Brothers and Company.

SMITH WALLIS TO BE TAKEN OVER

An agreed bid of £1.6m has been made by R. Cartwright (Holdings), the manufacturer of door and window furniture, for Smith Wallis, a window fitting maker.

The Smith Board has recommended acceptance and already major shareholders have accepted in respect of 54 per cent of the equity.

For its last financial year (1977), Cartwright made pre-tax profits of £68,000 on turnover of £4.34m.

For the six months to June 30, 1978, the group reported profits of £392,000 on turnover of £3.07m.

In its year ended March 31, 1978, Smith Wallis reported pre-tax profits of £341,000 on turnover of £2.08m. And for the half year ended September 30 the group showed pre-tax profits of £156,516.

In Smith Wallis's last balance sheet there were net assets per share of 132p; if a directors' estimated valuation of land and buildings were included they would have been 154.2p.

Cartwright said yesterday that Smith Wallis's business would complement its own activities. The acquisition was, it explained, part of a long term strategy to extend its business with its existing field of activities.

then its shares have climbed from 90p.

British and Commonwealth Shipping and associates own 30 per cent of the Glass and Metal shares.

FENNER/UDT. INDS. IN £2.3M DEAL

Agreement has been reached in principle whereby J. R. Fenner & Co. (Holdings) will acquire for £2.3m cash the 60 per cent controlling interest in Dick Bearings from UDT Industries.

The remaining 40 per cent of Dick is owned by Ramona Hoffman Pollard which has consented to the acquisition in principle.

The main activity of Dick is the stocking and distribution of bearings, mechanical power transmission equipment and industrial accessories which carries out through a network of 46 branches throughout the UK.

It is anticipated that the total net tangible assets of Dick at March 31, 1979, will be some £2m and the pre-tax profits for the year ending on that date will be around £0.6m.

GUTHRIE SALE TO BOUSTEAD

Guthrie Berhad, the Singapore-based subsidiary of Guthrie Corporation, the plantation group, has sold its 50 per cent stake in Guthrie Boustead Shipping Agencies in Singapore and Malaysia to the Boustead Group for a total cash consideration of \$7.2m (£2.3m).

The sale follows a review of the joint venture company by the two partners after Sims Darby announced its intention to acquire Guthrie Corporation.

CENTREWAY

George Whitehouse (Engineering) has acquired a further 25,000 shares in Centreway and its interest is now 256,600 (29.2 per cent).

BP CAPITAL

BP Capital has received 9.94 per cent acceptance in respect of its offer for the ordinary capital of Bristol Composite Materials, and 96.96 per cent in respect of the preferred.

The offers have been declared unconditional and remain open.

HAYS WHARF

Proprietors of Hays Wharf has acquired Frederick Allen and Sons (Chemicals) for £940,000 cash. The company manufactures and trades in chemical products.

SYSTEMSHARE

Agreement has been reached for Systemshare, the Edinburgh-based computer services organisation, to acquire BOC Data-solve's Haverhill Level 68 customer base. This gives Systemshare added business in the Midlands and South to augment its extensive customer base in the North of England and Scotland.

Church goes ahead to £2.6m after second-half improvement

Increased profitability in the second half of 1978 pushed up the pre-tax surplus of Church and Co., the footwear group, from £2.37m to £2.59m. Turnover was well ahead at £23.97m, against £19.83m.

At midway tax profits were down from £955,908 to £837,089 which include profits of both the Eileen companies.

The directors said the second-half improvement was made despite the strength of sterling which affected overseas profits. They added that the current year has started with lower demand for the total of 3.37p net per 25p share to 3.81p. And the Board intends to substantially increase the dividend when permitted.

Tax takes £19,464 (£88,844). The attributable profit is down from £1.1m to £1.68m and stated earnings per share are 32.8p, against 34.8p.

The directors say that companies have been restated to take into account the change in accounting policy relating to deferred tax.

A. Jones and Son, a group's subsidiary, lifted turnover, excluding VAT, from £9.4m to £10.83m. Profits were £928,877, against £922,037 after tax of £497,459 (£370,472). The dividend is raised from 11.5p to 12.75p and earnings per share are the same at 84p.

● comment

Church's full-year results are disappointing. Stripping out the contribution from the two new acquisitions, trading profits are six per cent lower. Orders during the year have been sluggish, mainly because of customers' destocking and lower demand for more expensive shoes. In addition, the stronger pound has hit the U.S. contribution while stock appreciation has dropped sharply as a result of relatively stable leather prices. Although there are signs that trading conditions are now improving, the

recent sharp jump in leather prices must dampen any enthusiasm. The shares yield only 3.2 per cent at 162p, while the p/e is 5.5.

First payout of 139p from Swan

A first distribution of 139p per ordinary share is to be made by the joint liquidators of Swan Hunter Group. The liquidators say they are not aware of any grounds on which shareholders might expect the total cash distributions to exceed about £46.5p.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and mergers

The hard-fought battle for control of H. and R. Johnson's Tiles ended in victory for Norcross following announcement that its offer had gone unconditional after 54.4 per cent acceptance by J-R-T shareholders. The Norcross victory is the proposed merger between J-R-T and Armistage Shanks Engineering group GEL International's attempted take-over of Moss Engineering ended in failure, with shareholders representing only 13 per cent of the Moss Equity accepting the terms. FMC Corporation, the third largest seaweed processor in U.S., has entered bid discussions with Alginat Industries, dominant force in UK seaweed processing. This is the second reach Alginat has received from the U.S.: last month a bid in Merck Incorporated, accepted by 98 per cent of Alginat's shareholders, lapsed after a Monopolies Commission reference. Diversified industrial concern Thomas Tilling has, by the \$44m cash acquisition of the northern seaboard construction trials business of Ashland Oil, spent almost three-quarters of \$100m designated for its U.S. expansion programme. In an acquisition worth \$5m cash, Bexmo Group, the freezer frozen foods concern, has moved into the fast-food restaurant business with the purchase of a chain of 38 restaurants from L.

Croda Australia, a wholly-owned subsidiary of Croda International, has purchased, from Emery Industries Incorporated, its producer Jordan Chemicals of New South Wales, for \$2.25m.

Harsco Corporation's offers for Dartmouth have become unconditional and remain open. Acceptances have been received on 98 per cent of the Dartmouth shareholders. Similarly, Wm and Sharp's offer for Chamberlain Group has received 98 per cent acceptance, has become unconditional, and remains open.

The major brokerage houses Willis Faber and Hogg Robinson have, by mutual agreement, terminated preliminary merger talks.

Company	Value of bid per share**	Market price**	Price of bid before bid	Value of bid after bid	Final date
to-Swiss	57	55 1/2	29 1/2	1.45	Armstrong Eq. —
Spinning	110	107	108	0.88	John Bright —
donian Hldgs.	162 1/2	171	148	11.4	London & Midland Inds. —

Jewey aided by £305,100 subsidy

Assisted this time by a temporary employment subsidy of £100, Jewey Group, wholly owned by William Jewey & Co. reports a pre-tax loss of £40 for 1978, compared with £40 last time. At half-time, deficit stood at £295,000, net £50,000. Turnover of the smallware manufacturer was cut from £8m to £3.48m, while the loss of the trading level increased to £114,017 to £343,515, before subsidy and interest charges. There was a tax charge of £600 (£212,889 credit) which added a £254,150 write-off for 1978. After extraordinary debts, deficit emerged larger at £13 against £398,186.

Loss per £1 share is shown as 21.9p (10.8p) before extraordinary items.

	1978	1977
Turnover	13,465,171	15,162,814
Trading loss	343,515	114,017
Exceptional loss	265,100	—
Interest paid	357,222	380,023
Pre-tax loss	395,042	494,040
Tax charge	112,050	122,895
Extraordinary	84,523	147,014
Leaving loss	591,615	763,949
Relates to temporary employment subsidy	—	—
Includes £254,150 write-off for ACT. credit	—	—

C. & J. Clark
On net sales 35 per cent higher at £249,04m for 1978, trading profit of C. & J. Clark, shoe maker, advanced 82 per cent to £19,36m. After tax, net profit was 87 per cent higher, at £10,58m. The results of Hanover Shoe Inc. of Pennsylvania, U.S., which the company acquired in December 1977, are included for 11 months of 1978.

Company	Value of bid per share**	Market price**	Price of bid before bid	Value of bid after bid	Final date
Caledonian Hldgs.	173 1/2	171	169	12.9	Comet
Customagic	24 1/2	24 1/2	22	0.23	Radlovision —
English Property	80	60 1/2	54	57.3	Olympia & York Dev. —
English Property	56 1/2	60 1/2	54	53.5	Wimborne —
Guthrie	52 1/2	51 1/2	48 1/2	120.35	Sime Darby —
Intercontinental	30	86	57 1/2	12.77	Assoc. Com. —
Property	—	—	—	—	—
Jacksons Bourne	100 1/2	140	76	0.44	Rossminster Holdings —
Johns Richards	—	—	—	—	—
Tiles	158 1/2	157	109	34.5	Norcross —
Smith Walls	171 1/2	165	145	1.71	R. Cartwright —
Waltham Brake	95 1/2	93	92	40.5	Bwkr. Slidy. —
White Child & Bency	200 1/2	200	108	4.88	A. Guinness —

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ** Date on which scheme is expected to become operative. †† Based on 16/3/79. ††† A suspension. †††† Estimated. ††††† Shares and cash. †††††† Unconditional.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends* per share (p)
Blackwood Motion	Dec.	227	(172) 1/2
Brit. Car Auctions	Jan.	785	(723)
Brooke Bond	Dec.	17,982	(22,218)
Ductile Steels	Dec.	2,050	(1,870)
HTV Group	Jan.	2,455	(1,843)
Nelson David	Sept.	48	(19)
Parker Timber	Sept.	1,290	(1,360)
Sinclair	Dec.	273 1/2	(251) 1/2
Stothert & Pitt	Jan.	708	(619)
Wlkr. (J.) Gold.	Oct.	1,100	(880)
Wolseley-Hughes	Jan.	5,460	(4,460)

R. Green Properties £392,000 upsurge at six months

A taxable profits jump of £199,000 to £591,000 is reported by R. Green Properties for the half-year to December 31, 1978. Turnover was down from £2.53m to £2.45m. Last year the group raised pre-tax profits from £411,514 to £698,274. In his annual statement the chairman Mr. Reginald Elphick said that first-quarter profits were ahead of those for the same period the previous year.

The half-year taxable profit was made up of net rental income, after charging depreciation interest, of £275,000 (£256,000) and profit on sale of property of £314,000 (£204,000). The latter item was struck after charging interest on short and medium-term borrowings and includes non-distributable capital profits of £44,000 (£28,000). Administration and other expenses were the same at £68,000.

The interim dividend is raised from 0.55p net per 10p share to 0.60p. Last year's total was £469,299.

The group builds or acquires investments in real or personal property, deals in property and is an estate developer.

Hampson Inds. sees second half downturn
Pre-tax profits of Hampson Industries, engineering and industrial cleaning group, were little changed for the half year to September 30, 1978, at £274,150 against £271,890.

The directors state that in view of outside industrial action during the second half, results for the full year are unlikely to equal those of the previous year — for 1977-78 taxable profits were a record £614,194.

Turnover for six months was up from £5.43m to £6.74m and

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Alfred Walker in profit

CONTINUING THE second half recovery of last year, Alfred Walker and Son, building contractor and property developer, reports profit of £47,500 against a £43,000 loss for the six months to October 31, 1978.

The directors say the group has continued to trade profitably and although recent severe weather will adversely affect results it is still hoped that full year trading will allow a return to the dividend list. The last dividend was 1.75p net per share.

Second City warns on margin erosion
TAXABLE profits of Second City Properties were static at £418,089 against £411,889 in the half year to October 31, 1978. And the directors say the reduction in local authority contracts and the erosion of margins in the construction division is still causing concern.

They add that to offset any downturn in that division steps

Saint Piran hits back
BY JOHN MOORE
IN WHAT is rapidly developing into a bitter row between a public company and its small shareholders, Saint Piran, the Cornish mining and construction group, has hit back at the shareholders seeking to unseat the present board.

A proposed new board of five men, headed by Mr. Max Lewinson, which is trying to overturn the present board together with other shareholders that have forced the company to call an extraordinary general meeting on March 30, have been roundly attacked by Saint Piran in a circular to shareholders.

"Mr. Lewinson," says Saint Piran, who is chairman of Dundonian, "may well have experience in operating crematoria," but "experience in running crematoria hardly qualifies Mr. Lewinson for running a company 29 times bigger, and neither he nor his co-director in Dundonian (Mr. R. H. Morley) are mining experts."

And in answer to shareholders' requests that offshore nominee holdings amounting to 30.5 per cent should be disclosed, Saint Piran has said that the shareholdings are not

nominee holdings, "but are all beneficially held."

Saint Piran added that there was an implication "that there are sinister foreign shareholders influencing your company. More than four hundred of your company's shareholders are foreign, and they own approximately half the issued share capital of your company." The group stressed, "they are entitled to vote just like any other shareholder."

Saint Piran also confirmed that Mr. Tim Raper, an ex-director of the group who several shareholders have felt to be the power behind the throne, has a 7 per cent holding in the group through Gasco Investments, of Hong Kong. That block of shares will be used to block against the ginger group.

Saint Piran said yesterday that Mr. Raper had had no influence over more than 1,000 shares of the company until the Gasco purchase and the holding by Gasco had been purchased from scratch since the end of February.

Saint Piran said yesterday that the ginger group was seeking to take the company over through a "publicity campaign."

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Bibby (J.)	Dec.	8,400	(6,174)	77.4
BL	Dec.	1,700	(3,100)	—
Brit. Petroleum	Dec.	2,234,600	(2,186,300)	115
BTR	Dec.	42,500	(29,700)	38.1
Collins (Wm.)	Dec.	3,550	(3,150)	21.6
Dior	Sept.	51	(10)	4.8
East Lanes Paper	Dec.	1,460	(1,170)	11.1
Fairclough Const.	Dec.	9,585	(6,950)	10.3
Farmer (S. W.)	Dec.	1,090	(881)	22.4
Invergordon Dist.	Dec.	2,460	(2,800)	14.8
Johnson Cleaners	Dec.	3,340	(2,050)	21.2
Jones & Shipman	Dec.	2,920	(2,250)	23.3
Kleinwort Benson	Dec.	9,080	(7,450)	16.5
Lambert Horwath	Dec.	615	(474)	10.8
Monfort (Knt.)	Dec.	628	(318)	15.9
Pentos	Dec.	4,011	(3,260)	19.6
Prvnt. Landries	Dec.	100	(29)	2.5
Robinson Bros.	Dec.	1,830	(1,500)	106.1
Robinson (Thos.)	Dec.	1,100	(988)	12.8
Rolls-Royce	Dec.	14,834	(11,003)	16.2
Ryan (J.)	Dec.	1,550	(1,010)	3.5
Sale Tilley	Nov.	1,840	(1,630)	25.7
Smith & Nephew	Dec.	20,540	(17,330)	9.1
Steeley	Dec.	20,360	(23,499)	32.6
Trade Indemnity	Dec.	15,901	(2,670)	48.2
Tricentral	Dec.	8,011	(3,627)	14.9
U.K. Railways	Dec.	42,208	(38,120)	12.8
Wilkes (James)	Dec.	578	(471)	11.8
Yule Catto	Dec.	2,800	(2,490)	7.1

(Figures in parentheses are for corresponding period.)
* Dividends shown net except where otherwise stated.
† Adjusted for any intervening scrip issue. ‡ Net profit after tax. § To be announced in April, 1979. ¶ Nine months. † Taxable income. †† Loss.

Scrip Issues

BTR: One for two.
Pentos: Either one new ordinary 10p share or one deferred ordinary 20p share for one ordinary share.

ANGLO SWISS

Armstrong Equipment now owns over 81 per cent of the issued ordinary share capital of Anglo-Swiss. Notices under Section 209(2) of the Companies Act 1948 have been despatched.

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The Scottish Western Investment Company Limited

A Year of Progress

Annual Report for the year ended 31 December, 1978

	1978	1977
Equity shareholders' interest	£56,939,833	£58,430,192
Asset value per share	126.6p	110.6p
Revenue available for ordinary shareholders	£1,377,781	£1,132,975
Earnings per ordinary share	2.70p	2.24p
Ordinary dividends per share	2.55p	2.20p
Capitalisation issue in B ordinary shares	2.05518%	2.08137%

Distribution of equity investment at 31 December, 1978

	1978	1977	1978	1977
USA	35.96%	36.13%	Asia	2.59%
UK	35.86%	41.05%	Brazil	2.06%
Japan	16.08%	11.87%	Others	2.85%
Europe	4.60%	3.75%		100.00%

Future outlook and policy

We shall continue to maintain a balanced portfolio based primarily on the three major economies of the USA, UK and Japan, but with significant interest in other areas such as Brazil, Europe, Asia and Australia. The latter should benefit from the current strength in commodity prices, and we have recently increased our investment there.

Our objective is to achieve maximum growth in net asset value per share combined with a steady increase in dividends.

Copies of the report may be obtained from the Secretaries, The Scottish Western Investment Company Limited, 175 West George Street, Glasgow G2 2LD.

An Investment Trust managed by Murray Johnstone Limited.

Murray Johnstone

The Foreign and Colonial Investment Trust Company, Limited

(MEMBER OF THE ASSOCIATION OF INVESTMENT TRUST COMPANIES)

Highlights of Annual Report for year to 31st December, 1978.

Net Revenue	£5.23m	+22%
Dividend	4.525p	+20%
Total Assets	£186m	+12%
Assets per share	229p	+14%

Geographical Spread of Portfolio

U.K.	46%
U.S.A.	25%
Far East	20%
Europe	4%
Elsewhere	5%

Current policy is to produce long term growth in assets and a steady increase in dividends to match and if possible beat the rate of inflation.

Copies of the Report and Accounts may be obtained from the Secretary.

The Foreign and Colonial Investment Trust Co. Ltd.
General Investors and Trustees, Ltd.
F. & C. Eurotrust Ltd.
Centenary Fund S.A.
The Cardinal Investment Trust Ltd.
Alliance Investment Co. Ltd.
F. & C. Anglo-Nippon Exempt Fund
F. & C. North American Exempt Fund
Foreign and National Investment Fund S.A.
1/2 Laurence Pountney Hill, London EC4R 0BA.
Telephone No. 01-623 4680

Hudson's Bay raises dividend

BY ROBERT GIBBENS IN MONTREAL

THE HUDSON'S BAY COMPANY, subject of a C\$350m (U.S.\$297m) bid from the Thomson family interests to 27.5 cents per quarter from 22 cents with the April 30 payment to shareholders of record April 9

The company reported operating net earnings equal to C\$27.4 a share against C\$2.12 a share on fewer shares outstanding in the previous year.

The dividend is being raised

Actual operating earnings for the year were C\$4.6m (U.S.\$37.9m) against C\$29.9m. The latest period excludes a C\$88m gain mainly on the sale of shares in Siebens Oil and Gas. Revenues from the major department store and resources group were C\$1.9bn against C\$1.4bn.

Gulf Oil warning on earnings trend

NEW YORK—Gulf Oil Corporation expects first quarter earnings to exceed the 79 cents a share earned in the same period last year. The company expects to make new appointments in the coming year after a string of dismissals in this area.

Mr. Herbert I. Goodman, the

1978 period, but to be less than the \$1.30 a share of the 1978 first quarter, the chairman, Mr. Jerry McAfee said.

Mr. McAfee also said that Gulf is reviewing its position after the decision by the International Panel to set the oil and gas assets of its General Petroleum Co. subsidiary to Tenneco and Southland Royalty for this year are expected to fall

International Paper had previously agreed in principle to sell the assets to Gulf for \$650m. Gulf has not made another offer, said Mr. McAfee. He expects the oil industry to spend less on offshore pro-

a "bit under" \$2bn from \$2.1bn. last year.

The company hopes however to spend several hundred million dollars over the next five years on improvements at its refineries.

Citicbank in Federal suit

The Government lawsuit is the latest development in a complicated dispute over the handling of Citibank, the trustee for investments, may have resulted in a failure to redeem \$19.2m of the certificates between 1976 and 1978.

ated dispute over the handling of almost \$700m in participation certificates sold by the General Services Administration (GSA) since the early 1970s to finance Citicorp, the principal subsidiary of Citicorp, New York, has taken the view that some of the 10 trust funds set up to retire the certificates have

1. Tax-free trading on commodity futures.
2. Tax-advantaged futures market for the smaller investor.

AMERICAN MARKETS

2.00 (132.78), May 133.00 (133.44),
July 134.25-134.90, Sept. 135.75-135.80,
Nov. 136.00-136.25, March 136.10-136.60

[illegible][illegible]

Spot		Futures	
10th	15th	10th	15th
378.97	381.22	384.47	361.66
385.12	387.20	383.12	345.19

(Base: July 1, 1952=100)

[illegible]

Hawley Metal US\$ 0.43
Helm, d1 11 537

[illegible][illegible]

Figure 1 is a line graph showing the percentage of total energy expenditure (TEE) for different activities over a 24-hour period. The Y-axis is 'Percentage of TEE' (0-100) and the X-axis is 'Time of Day' (0-24). The legend indicates: Sleeping (hatched), Sedentary (white), Light (diagonal lines), Moderate (cross-hatch), and Vigorous (solid black). Sleeping is highest at night (~30-40%). Sedentary is highest in the morning (~20-30%). Light activity is highest in the afternoon (~10-20%). Moderate and Vigorous activities are highest in the afternoon and evening (~10-20%).

THE FOUR-SPOT AND FORWARD				
	Day's spread	Close	One month	% Three months
March 18				
U.S.	2,930.0-2,980.0	2,930.0-2,931.0	0.33-0.22c pm	1.58 p.a.-0.70 pm
Canada	2,370.0-2,380.0	2,380.0-2,381.0	1.28-0.85c pm	0.90-0.70 pm
Nazhldn	4,077-4,104	4,084-0.08	2 1/2-1 1/2c	5.57-5.65 pm
Belgium	70.70-60.06	70.70-0.06	30-20c pm	5.02-76.99 pm
Denmark	10.52-10.58	10.52-10.53 1/2	1/2c pm-1/4c pm	0.55-2 1/2c
France	10.52-10.58	10.52-10.53 1/2	2 1/2-2 1/2c	5.00-5.00 pm
Portugal	87.57-87.85	87.57-80.00	30-100c	5.00-80-220 dts
Spain	140.50-140.50	140.50-140.50	50-45c dts	1-70 10-130 dts
Switzerland	10.52-10.58	10.52-10.53 1/2	1/2c-1/4c	0.55-2 1/2c
Norway	10.35-10.36	10.35-10.36 1/2	5-30c pm	4.43-94-7 1/2c
Sweden	7.00-8.74	8.74-0.71 1/2	3-2 1/2c	4.13-84-8 1/2c
Sweden	5.68-5.68	5.68-5.68	1/2c-1/4c	0.55-2 1/2c
Switzerland	10.52-10.58	10.52-10.53 1/2	2 1/2-2 1/2c	5.00-74-7 1/2c
Austria	27.67-27.77	27.70-27.76	22-20c pm	7.38-52-52 1/2c
Switzerland	4.41-4.43 1/2	4.41-4.43 1/2	4-3 1/2c	12.17-12-6 1/2c
Belgium	70.70-60.06	70.70-0.06	30-100c	5.00-80-220 dts

8ix-month forward dollar 1.377-1.75c; 12-month 2.50-2.40c pm.

Local Auth. negotiable bonds	Finance House Deposits	Company Deposits
------------------------------------	------------------------------	---------------------

MILLARD STORES 184 J

WATERWORKS (1)

Campbell 3.8pc 304s (1x3s) 4pcDc. 27
2-72)
Colne Valley 2.8pc 241; (14-31)
4.2pcDc.
Mid Southern 2.5pc 33s; (14-3). 6pcP.
1-10 and 1-11 (12-2)
Ngrch Supply 3.8pc 34s; (14-3). SdcDc.
Portsmouth 10pcDc. 94 (9-3)
2-10
Sto Rendens 4.3pcP. 55s; (12-2)
3 Sunderland and 3.4pc 33 (14-2)
3-2pcDc. 22s; (14-1)
West Warrimoo 4.4pc 310 (14-3)

SPECIAL LIST

Business done in securities quoted in the Monthly Supplement.

MARCH 18 (3)

Braebury Wilkinson 4pcP. 88s
Bulgarian 4-2pcColorado. 1808 417e

MARCH 14 (2)

Unroyal 4.4pcDc. 52s

MARCH 13 (NIU)

MARCH 12 (NIU)

MARCH 9 (NIU)

RULE 163 (1) (e)

Bargains marked in securities which are quoted or listed on an Overseas Stock Exchange.

MARCH 18.

Allied Stores 5144
Almond Petri 57s
Asia Mangalore 4715.36e
Asak Resources 470 715.36e
Avonville 524 715.36e
A-Z-O-G Oil U.S. 1762
Prises Stratton US 715.36e
Chemical New York 6218
Consolidated Gold Fields Australia 312
Conson E.C. 120s
Exhaustor Resources 19
New Metal 11
Now Par 50-
Hutchison Whampoa 59.60
Inland Natural Gas 6721e
Investment London 6721e
Jardine Matheson 1716 70
Kutim Malacca 302 0.41
Lombardia Munchen 5200e
Macon Metals 302 0.41
Metal Expln 510 310e
Metarung Mon 11
Minid Videos. 250
New Metal 11
North Filanders 13
Oquirrhini 11
Oter Expln. 53e
Palabora 600e
Pancontinental 11
Pexodon US 0.8610 ps10 2
Solent Can US 66e
Sonics 173e
Sunderland Concrete 70e
Solvent Expln. 510 4
Steel Transportation 480e
Superior 32
Terra Mng. (f. pd.) 250 4 s. De. (at. pd.)
Ts. Cheung 21
Western Georgia 5144e
Wheelock Maritims B 310e
Woodside Petr. 652e 4 7

MARCH 14

Amp Inr 142
Atlantic Richfield US 50b10 601w
Australian Cons Minis. 52
Australia Oil Gas 520 40. De. New 44
Bagnallvale Copper 1500 45 US 2.13
Canadian Pac 2110e
Carr 80ye 3
Cheong Keng US 214
Consumers Gas 111e
Enlighter Rio Tinto 320e
CFR 2800 3
Cusur Pacific
EMU Australia 78 80

Figure 1 is a line graph illustrating the percentage of the total sample for various age groups across different years. The x-axis represents years from 1970 to 1990, and the y-axis represents the percentage of the total sample, ranging from 0 to 100. The age groups are: 0-14, 15-24, 25-34, 35-44, 45-54, 55-64, and 65+.

Year	0-14	15-24	25-34	35-44	45-54	55-64	65+
1970	18	15	12	10	8	6	4
1975	16	14	11	9	7	5	3
1980	14	12	10	8	6	4	2
1985	12	10	8	6	4	3	1
1990	10	8	6	4	3	2	1

THE FOUR SPOT AND FORWARD				
	Day's spread	Close	One month	% Three months
March 18				
U.S.	2,930.0-2,980.0	2,930.0-2,935.0	0.33-0.22c pm	1.58 p.m.-0.70 pm
Canada	2,370.0-2,380.0	2,380.0-2,385.0	1.28-0.85c pm	0.90-0.70 pm
Naghdin	4,075-4,100	4,084-0.08	2 1/2-1 1/2c	5.57-5.65 pm
Bulgaria	70.70-60.06	70.70-60.06	30-20c pm	5.02-76.99 pm
Denmark	10.52-10.58	10.52-10.53 1/2	1/2c pm-1/4c pm	0.55-2 1/2c
France	27.57-27.58	27.57-27.58	2 1/2-2 1/2c	5.00-5.00 pm
Portugal	87.57-87.85	87.57-80.00	30-100c	5.00-80-220c
Spain	140.50-140.50	140.50-140.50	50-45c	1.70-10-130c
Switzerland	10.35-10.35	10.35-10.35	1/2c-1/2c	5.00-5.00 pm
Norway	10.35-10.35	10.35-10.35	5-30c pm	4.43-94-7 1/2c
Sweden	7.70-8.74	8.74-8.74	3-2 1/2c	4.13-84-8 1/2c
Sweden	5.68-5.68	5.68-5.68	1/2c-1/2c	5.00-5.00 pm
Switzerland	10.35-10.35	10.35-10.35	2.00-2.30c pm	6.98-74-7 1/2c
Austria	27.67-27.67	27.70-27.70	22-25c pm	7.38-52-5 1/2c
Switzerland	4.41-4.43	4.41-4.43	4-3 1/2c	12.17-12.17c
Belgium	1.37-1.37	1.37-1.37	Financial	0.70-0.80, 80.00

8ix-month forward dollar 1.37-1.75 pm; 12-month 2.50-2.40 pm.

					Mar. 15	Mar.
Discount					Gold Bullion (fine ounces)	
market					Close	\$344.244; \$339.34
deposit	Treasury	Bank	Prime			\$331.184; \$325.98
	Bills	Bills	Bills			\$324.514; \$320.240
1914-13						\$319.418; \$317.018
						\$304.88
12-12 1/2					Morning	
11 1/2	11 1/2-11 3/4	10 1/2	13 1/2		fixing	\$319.458; \$317.658
11 1/2	11 1/2-11 3/4	10 1/2-11 1/4	13 1/2		Afternoon	\$344.00; \$340.10
11 1/2	11 1/2-11 3/4	11 1/2-11 1/4	13 1/2		fixing	\$319.878; \$317.858
		10 1/2-11 1/4	13 1/2			Gold Coins, domestically
						Kruggerand, \$250.1-261; \$255.1-26
						\$212.1-224; \$217.1-23
					New	\$271.60; \$274.65
					Sovereigns, £35.1-34.1	\$235.1-24
					Old	\$277.00
					Sovereigns, £37.1-38.1	\$235.1-24
						Gold Coins, Internationally
					Kruggerand, \$250.1-252; \$246.1-24	

trade bills 12½ per cent; two-month 12½

2½ per cent and three-month 1½ per cent	Old	\$777.79	\$777.79
13½ per cent for March 1, 1878.	Sovereigns (\$27½-594)	\$756.58	\$756.58
Clearing Bank Notes for landing 13 per cent	200 Eagles, \$515-19	\$511.51	\$511.51
	510 Eagles, \$170½-175½	\$170½-175	\$170½-175
	85 Eagles, \$110-124	\$110½-12	\$110½-12

deposit one month 10.30-10.40 per cent	three months 10.45-10.55 per cent
--	-----------------------------------

West German Mark	French Franc	Italian Lira	Asian \$	Japanese ¥
4.4-4.4	8½-7½	7 10		4¼ 7½
4.4-4.4	8½-7½	10½-11½	10½-10½	9¼-6½
4.4-4.4	8½-8½	11-12	10½-10½	9¼-6½
4.4-4.4	8½-8½	10½-10½	10½-10½	6½-6½
4.4-4.4	8½-8½	11-11	10½-10½	6½-6½
4.4-4.4	8½-8½	12½-13½	10½-10½	6½-6½

Figure 1. The effect of the concentration of the inhibitor on the rate of polymerization of the monomer.

Statistics provided date STREAM International								
Flat yield	Red. yield	Premium†		Income			Cheap (+) Dear (-)	
		Current	Range‡	Equ.‡	Conv.‡	Diff.‡	Current	
7.4	4.3	- 1.5	- 10 to 1	10.7	8.9	- 1.4	0.1	
5.1	1.4	- 4.8	- 8 to 1	0.0	9.1	4.5	9.3	
5.6	4.3	9.4	- 8 to 15	0.0	94.2	47.5	38.1	
4.7	2.7	- 1.1	- 11 to 2	11.6	5.2	- 2.6	6.6	

1	99.00	150.0	76-84
1	90.00	57.1	76-80

12.7	12.7	3.9	4 to 54	26.9	26.4	20.5	15.6
7.2	7.6	- 0.9	-10 to 3	6.1	3.1	- 3.4	- 2.4
5.3		7.3	4 to 13	38.0	52.3	8.1	0.3
4.7	4.3	- 3.7	- 5 to -0	8.9	6.8	- 1.8	1.9
9.0	13.3	21.4	16 to 35	5.2	3.9	- 1.6	- 23.0
6.3	3.6	5.6	4 to 14	0.0	58.1	39.6	34.0
11.4	11.6	23.6	20 to 38	26.4	35.1	11.9	-11.7

† The extra cost of investment in convertible expressed as percentage of

* Rates normally variable in line with changes in ordinary share rates.
† Includes 0.25% Centenary Bonus throughout 1979.
All these rates are after basic rate tax liability has been settled on behalf of the investor.

Good market revival unaffected by novel tap stock

Gilts retain £1½ rises and equities close at best

Account Dealing Dates
Option
 *First Declara- Last Account
 Dealings Dealings
 Feb. 26 Mar. 3 Mar. 9 Mar. 20
 Mar. 12 Mar. 22 Mar. 23 Apr. 3
 Mar. 26 Apr. 5 Apr. 6 Apr. 18

New time dealings may take place from 9.30 am two business days earlier.

After having shown more volatility than for some time this week, equities closed on a rising note yesterday. Opening dealings gave no indication of pending events and for leading industrial the tone was uncertain with operators still bearing in mind the sharp reactionary movements of Tuesday and Thursday.

Yesterday's turnaround in sentiment was initiated by a steeper beginning in the gilt-edged sector where quotations furthered the previous evening's late recovery in the absence of any fresh selling. Around noon, the latest retail price trends were not as bad as expected and gave both markets a little more stimulus.

Demand for equities slowly improved and the upturn was marked by significant progress through the lack of any follow-through to recent profit-taking. The impetus of the movement was particularly strong just before the official close but the unexpected announcement of a new Government tap stock put a brake on the rise.

The novel introduction of the tender method for the Government's issue of £800m Exchequer 1979 per cent 1989 stock, £40 million when tendered at a minimum price of 87½, halted trade in Gilts for an hour. But when it resumed, gains of 1½ were prior to the 3.30 pm announcement were fully held, and the industrial sections edged forward again to close at the day's highest.

Thus a particularly volatile week for equities ended with the FT All-Share Index 82.5 higher on the day at 5104.9 for a net loss of only 4.4 on the week and looking set for further improvement when the second leg of the current trading account gets under way on Monday. Official markings were the lowest of the week at 0.691, but the daily average of 7.87 was the highest for a long time.

Gilts were not discouraged by the Discount House having to borrow for a full week at 10 per cent. Lending Rate of 13 per cent and maintained their rally throughout. Inquiries after-hours were intense but precious little trade was done because jobbers

tended to widen dealing spreads considerably while attempting to assess the new method of funding. The shorts were moving higher late in recognition of the fact that the end of the market had been left untapped.

A large two-way trade developed in investment currency with institutional sources particularly active. Rates initially hardened to 7½ per cent but eased later and the premium settled at a net 1½ lower at 78½ per cent. Yesterday's SE conversion factor was 0.7177 (0.7165).

Caledonian Holdings hardened 2 to 17½ following the latest bid from Comet Radiovision; the latter also added 2 to 13½, while rival bidders London and Midland Industrials gained 6 to 12½. Market newcomer Applied Computer Techniques continued to attract support and added a further 14 to 194½ compared with the placing price of 95p.

Home Banks firm

Quietly firm conditions returned to the major clearing banks, the big four all adding 6. Interest in Merchant Banks waned somewhat although Watniss improved 9 to 11½ on small buying in a thin market. Recent high-flier Hill Samuel Warrants encountered profit-taking and reacted 40 to 230p but still closed with a rise of 178 on the week.

Lloyds Bank stood out in Insurance, rising in response to Press comment. Alexander Rowden were prominent at 137½, up 7, while C. E. Heath gained 10 to 256p. Willis Faber improved 3 more to 250p ahead of Tuesday's results. Improvements among Composites ranged to 6 in Sun Alliance. 670p. Royals closed 5 to the good at 425p; the price in yesterday's issue was incorrect.

Apart from occasional support for some of the secondary issues, little of further interest developed in Breweries, but Distillers issues recorded useful gains in belated response to a broker's favourable circular. Distillers gained 5 to 249p. Matthew Clark 10 to 189p and Gough Brothers 10 to 189p. Amalgamated Distilled Improved 4 to 38p.

Late selective interest prompted useful gains in leading Blue Chip descriptions. Blue Circle finished 6 higher at 295p. BPF 10 up at 256p, and London Brick 2½ to the good at 75p. Redland, 198p, put on 10, while Tarmac, 188p, and Tunnel B. 330p, both added 6. Marley, at 85p, recovered all of the previous day's fall of 5. Bryant Holdings

added 3 to 54p on speculative interest and Sharpe and Fisher added 4 to 75p in further response to an investment recommendation. ICI improved progressively to close 7 to the good at 394p.

Church dip and rally

Leading Stores took a turn for the better. Gussies A adding 4 to 378p and Marks and Spencer 3 to 102p. Church rallied from 177p

featured late with a rise of 17 to 156p on the agreed bid from R. Cartwright, unaltered at 85p. Good interim results prompted a rise of 9 to 68p in Lake and Elliot, but APE remained on offer and gave up 5 further to 200p. Fresh demand developed for R. Elliott which advanced 7 to 196p, while rises of around 4 were marked against W. G. Allen, 50p, Pegler Hatterley, 188p, and Porter Chadburn, 90p.

ward in active trading on the assumption that Lomho will now make another offer and closed 24 higher at 164p. Lomho was additionally helped by a Press suggestion that Gulf Fisheries may soon sell its 21 per cent stake and finished 5 better at 76p. Associated concern House of Fraser, however, cheapened 3 to 165p. Miscellaneous Industrial leaders returned to former levels as the institutions

Press suggestions that bid discussions with Rockwell Corporation were some way from fruition prompted early profit-taking in Wilmet Breeden and the price slipped at 85½p, but a late rally left the close at 102p to reduce the loss to 3½.

Special situations dominated an otherwise quiet day. Firm Property sector. British Land added 4 to 63p following the sale of its 29 per cent stake in City Offices, but English Property remained flat at 80p as 20½ that Carsons Bankers does not intend to bid for the company.

Ultramar feature

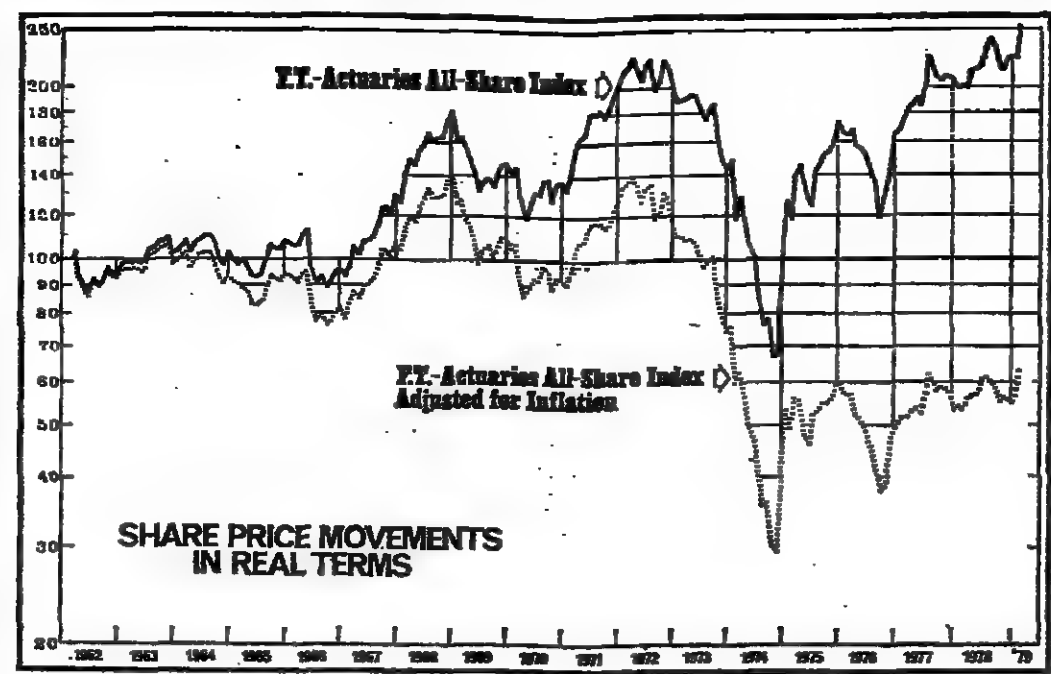
The preliminary results from Ultramar were up to best expectations and, with the market particularly pleased with the dividend forecast for 1979, the price moved ahead in a brisk trade to 302p before settling at 299p for a rise of 20. Among leading Oils, a fair amount of activity was seen in Shell, which closed 16 to the good at 716p, while currency and dollar premium influences left Royal Dutch 1 higher at 545½. British Petroleum added 8 to 380p, rather quiet but held steady around 102p.

Gold improves

South African Golds ended a quiet week on a firm note following the \$4.50 rise in the bullion price to \$244.375 per ounce. A business, however, remained at a low level with share prices being marked higher initially and thereafter moving narrowly. The Gold Mines index gained 8 to 169.7 and the ex-premium index 2.7 to 121.8.

South African Financials made good progress all week following a spate of sharply improved profit and dividends from General Mining, Anglovaal and Anglo American Investment Trust. London-registered Financials were equally firm with the rise in the bullion price prompting a gain in Gold Fields, at a 1978/9 dividend of 12½. Press mention lifted Charter 5 to equal their 1978/9 high of 173p. Rio Tinto-Zinc rose 4 to 302p.

Australians were generally firmer although business tailed off towards the close. Speculative issues continued to attract buyers with Caltex Pacific 3 up at a high of 58p and Metals Exploration a penny harder at a high of 54p, the last named reflecting the improved outlook for nickel and cobalt.



after the disappointing results to close a net 2 dearer on balance at 152p. Reflecting the chairman's annual review, Greenfield Leisure hardened 2 to 83p.

Selective support was evident in the Electrical sector where Rascal recovered smartly with a rise of 18 to 446p. Electronic Rentals became a good market on demand which continued into the late dealings and finished 11 to the good at 203p. Mulhired, 286p, and Farrel, 485p, improved around 5 apiece, while hopes of an outright bid from Philips left Pire Holdings a similar amount dearer at 114p. A considerable amount of interest was again shown in GEC which closed 8 up at 381p.

Engineering leaders took a distinct turn for the better. British 2½ to the good at 75p. Redland, 198p, put on 10, while Tarmac, 188p, and Tunnel B. 330p, both added 6. Marley, at 85p, recovered all of the previous day's fall of 5. Bryant Holdings

Buying in a limited market left Startis 10 higher at 160p. James Austin edged up 3 to a 1978/9 peak of 132p, but the second-half profits warning caused a reaction of a penny to 13p in Hampson Industries. Xarrow ended unaltered at 380p, but with a gain of 43 on the week following Press comment. Swan Hunter closed a penny lower at 129p; news of the first distribution of 133p per share to Ordinary holders came well after market hours.

A bid denial from the company did little to deter speculative activity in Spillers which touched 49p before settling a net 1 up at 48½p.

In Hotels and Caterers, Trust Houses Forte put on 6 to 320p and Grand Metropolitan improved 3 to 143p. Still, drawing strength from the Monopolies Commission's clearance of the proposed Lomho bid, Scottish and Universal Investments moved steadily forward with an un-named concern.

Double-figure gains were left at the close. Beecham, 600p, and Glaxo, 560p, appreciating 13 apiece and Pilkington 15 to a 1978/9 peak of 360p. Elsewhere, the announcement that Midland Bank had acquired a further tranche of shares in the company sparked off speculative buying of Grimsbury which closed 15 higher at the day's best of 72p. A resurgence of speculative buying on revived bid hopes lifted Pauls and Whites 8 to 144p, while De La Rue added 20 to 465p. Further consolidation of the results left Steeley 6 to the good at 187p and improvements of around 3 were seen in Brook Street Bureau, 63p, Elliott Group of Peterborough, 55p, and Wilson Walton, 53p. Glass and Metal Works suspended at 130p pending an announcement regarding the result of the bid discussions which have been taking place with an un-named concern.

ACTIVE STOCKS

YESTERDAY—

Stock	Denomina- tion	No. of shares	Closing price (p)	Change on day	1978/79 high	1978/79 low
Shell Transport	25p	18	716	+18	716	694
BP	£1	15	1102	+2	1120	720
Scottish & Universal Invs.	25p	14	184	+94	164	88
ICI	£1	12	394	+7	421	55
Widener-Breeden	25p	12	102	+5	104	294
Barclays Bank	£1	10	438	+1	438	294
Burmah Oil	£1	10	108	+6	109	42
GEC	25p	10	381	+8	388	233
Ultramar	25p	10	298	+20	302	182
Beecham	25p	9	690	+13	726	581
Cons. Gold Fields	25p	9	217	+7	217	163
GUS A	25p	9	378	+4	380	296
Marks & Spencer	25p	9	448	+16	448	196
Racal Elect.	25p	9	302	+4	313	164
RTZ	25p	9	302	+4	313	164

The above list of active stocks is based on the number of bargains recorded yesterday in the Official List and under Rule 163(1) (a) and reproduced today in Stock Exchange dealings.

ON THE WEEK—

Stock	Denomina- tion	No. of shares	Closing price (p)	Change on week	1978/79 high	1978/79 low
Shell Transport	25p	18	716	+18	716	694
BP	£1	15	1102	+14	1120	720
ICI	£1	12	394	+10	421	55
Beecham	25p	12	690	+18	726	581
GEC	25p	12	381	+1	388	233
Barclays Bank	£1	10	438	+1	438	294
Burmah Oil	£1	10	108	+12	109	42
GUS A	25p	10	378	+10	380	296
Marks & Spencer	25p	10	448	+1	448	196
Grand Met.	25p	10	102	+1	104	87
Midland Bank	£1	10	405	+1	410	227
RTZ	25p	10	302	+1	313	164
Lloyds Bank	£1	10	323	+1	328	242
Distillers	25p	10	249	+1	251	163
RTZ	25p	10	302	+1	313	164

RECENT ISSUES

EQUITIES

Issue	Amount £m	Price p	1978/79 High	1978/79 Low	Stock	Closing price (p)	1978/79 High	1978/79 Low
68 F.P.	100	100	100	100	100	100	100	100
69 F.P.	100	100	100	100	100	100	100	100
70 F.P.	100	100	100	100	100	100	100	100

FIXED INTEREST STOCKS

Issue	Amount £m	Price p	1978/79 High	1978/79 Low	Stock	Closing price (p)	1978/79 High	1978/79 Low
68 F.P.	100	100	100	100	100	100	100	100
69 F.P.	100	100	100	100	100	100	100	100
70 F.P.	100	100	100	100	100	100	100	100

"RIGHTS OFFERS"

Issue	Amount £m	Price p	1978/79 High	1978/79 Low	Stock	Closing price (p)	1978/79 High	1978/79 Low
68 F.P.	100	100	100	100	100	100	100	100
69 F.P.	100	100	100	100	100	100	100	100
70 F.P.	100	100	100	100	100	100	100	100

Renunciation data usually last day for dealing free of stamp duty, 6 figures based on prospectus estimates, 7 assumed dividend and yield, 8 dividend and yield based on prospectus or other official estimates for 1978, 9 Gross, 10 Dividend, 11 Dividend and yield based on prospectus or other official estimates for 1978, 12 Dividend and yield based on prospectus or other official estimates for 1978, 13 Dividend and yield based on prospectus or other official estimates for 1978, 14 Dividend and yield based on prospectus or other official estimates for 1978, 15 Dividend and yield based on prospectus or other official estimates for 1978, 16 Dividend and yield based on prospectus or other official estimates for 1978, 17 Dividend and yield based on prospectus or other official estimates for 1978, 18 Dividend and yield based on prospectus or other official estimates for 1978, 19 Dividend and yield based on prospectus or other official estimates for 1978, 20 Dividend and yield based on prospectus 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OFFSHORE AND OVERSEAS FUNDS

[illegible][illegible]

Prices do not include \$ premium, except where indicated, and are in penny prices, compare as indicated.
 * "Net" shown in last column applies for all buying examples. † Offered prices include all expenses.
 ‡ Today's price. † Yield based on offer price. ‡ Estimated. † Today's offering price. ‡ Distribution fee of 1% of the share.
 ‡ Agent's premium insurance plan. ‡ Single premium insurance. ‡ Offered price includes all expenses except agent's commission. † Offered price includes all expenses if bought through a broker.
 ‡ Previous day's price. † Net of tax on realized capital gains unless indicated. ‡ † Selling price.
 ‡ Suspended. † Yield before Jersey tax. ‡ Ex-subdivision. ‡ Only available to charitable groups.

60	50	40	30	20	10	0	10	20	30	40	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200	210	220	230	240	250	260	270	280	290	300	310	320	330	340	350	360	370	380	390	400	410	420	430	440	450	460	470	480	490	500	510	520	530	540	550	560	570	580	590	600	610	620	630	640	650	660	670	680	690	700	710	720	730	740	750	760	770	780	790	800	810	820	830	840	850	860	870	880	890	900	910	920	930	940	950	960	970	980	990	1000
60	50	40	30	20	10	0	10	20	30	40	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200	210	220	230	240	250	260	270	280	290	300	310	320	330	340	350	360	370	380	390	400	410	420	430	440	450	460	470	480	490	500	510	520	530	540	550	560	570	580	590	600	610	620	630	640	650	660	670	680	690	700	710	720	730	740	750	760	770	780	790	800	810	820	830	840	850	860	870	880	890	900	910	920	930	940	950	960	970	980	990	1000
60	50	40	30	20	10	0	10	20	30	40	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200	210	220	230	240	250	260	270	280	290	300	310	320	330	340	350	360	370	380	390	400	410	420	430	440	450	460	470	480	490	500	510	520	530	540	550	560	570	580	590	600	610	620	630	640	650	660	670	680	690	700	710	720	730	740	750	760	770	780	790	800	810	820	830	840	850	860	870	880	890	900	910	920	930	940	950	960	970	980	990	1000
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60	50	40	30	20	10	0	10	20	30	40	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200	210	220	230	240	250	260	270	280	290	300	310	320	330	340	350	360	370	380	390	400	410	420	430	440	450	460	470	480	490	500	510	520	530	540	550	560	570	580	590	600	610	620	630	640	650	660	670	680	690	700	710	720	730	740	750	760	770	780	790	800	810	820	830	840	850	860	870	880	890	900	910	920	930	940	950	960	970	980	990	1000
60	50	40	30	20	10	0	10	20	30	40	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200	210	220	230	240	250	260	270	280	290	300	310	320	330	340	350	360	370	380	390	400	410	420	430	440	450	460	470	480	490	500	510	520	530	540	550	560	570	580	590	600	610	620	630	640	650	660	670	680	690	700	710	720	730	740	750	760	770	780	790	800	810	820	830	840	850	860	870	880	890	900	910	920	930	940	950	960	970	980	990	1000
60	50	40	30	20	10	0	10	20	30	40	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200	210	220	230	240	250	260	270	280	290	300	310	320	330	340	350	360	370	380	390	400	410	420	430	440	450	460	470	480	490	500	510	520	530	540	550	560	570	580	590	600	610	620	630	640	650	660	670	680	690	700	710	720	730	740	750	760	770	780	790	800	810	820	830	840	850	860	870	880	890	900	910	920	930	940	950	960	970	980	990	1000
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60	50	40	30	20	10	0	10	20	30	40	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200	210	220	230	240	250	260	270	280	290	300	310	320	330	340	350	360	370	380	390	400	410	420	430	440	450	460	470	480	490	500	510	520	530	540	550	560	570	580	590	600	610	620	630	640	650	660	670	680	690	700	710	720	730	740	750	760	770	780	790	800	810	820	830	840	850	860	870	880	890	900	910	920	930	940	950	960	970	980	990	1000
60	50	40	30	20	10	0	10	20	30	40	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200	210	220	230	240	250	260	270	280	290	300	310	320	330	340	350	360	370	380	390	400	410	420	430	440	450	460	470	480	490	500	510	520	530	540	550	560	570	580	590	600	610	620	630	640	650	660	670	680	690	700	710	720	730	740	750	760	770	780	790	800	810	820	830	840	850	860	870	880	890	900	910	920	930	940	950	960	970	980	990	1000
60	50	40	30	20	10	0	10	20	30	40	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200	210	220	230	240	250	260	270	280	290	300	310	320	330	340	350	360	370	380	390	400	410	420	430	440	450	460	470	480	490	500	510	520	530	540	550	560	570	580	590	600	610	620	630	640	650	660	670	680	690	700	710	720	730	740	750	760	770	780	790	800	810	820	830	840	850	860	870	880	890	900	910	920	930	940	950	960	970	980	990	1000
60	50	40	30	20	10	0	10	20	30	40	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200	210	220	230	240	250	260	270	280	290	300	310	320	330	340	350	360	370	380	390	400	410	420	430	440	450	460	470	480	490	500	510	520	530	540	550	560	570	580	590	600	610	620	630	640	650	660	670	680	690	700	710	720	730	740	750	760	770	780	790	800	810	820	830	840	850	860	870	880	890	900	910	920	930	940	950	960	970	980	990	1000
60	50	40	30	20	10	0	10	20	30	40	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200	210	220	230	240	250	260	270	280	290	300	310	320	330	340	350	360	370	380	390	400	410	420	430	440	450	460	470	480	490	500	510	520	530	540	550	560	570	580	590	600	610	620	630	640	650	660	670	680	690	700	710	720	730	740	750	760	770	780	790	800	810	820	830	840	850	860	870	880	890	900	910	920	930	940	950	960	970	980	990	1000
60	50	40	30	20	10	0	10	20	30	40	50	60	70	80	90	100	110	120	130	140	150	160	170	180	190	200	210	220	230	240	250	260	270	280	290	300	310	320	330	340	350	360	370	380	390	400	410	420	430	440	450	460	470	480	490	500	510	520	530	540	550	560	570	580	590	600	610	620	630	640	650	660																																		

[illegible][illegible]

INVESTMENT TRUSTS—Cont.									
YIELD	1978 YIELD	1977 YIELD	STOCK	PRICE	1977 PRICE	1977 DIV.	1977 YIELD	1977 C.W.	1977 P/E
7.54	116	116	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.52	115	115	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.51	114	114	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.50	113	113	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.49	112	112	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.48	111	111	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.47	110	110	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.46	109	109	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.45	108	108	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.44	107	107	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.43	106	106	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.42	105	105	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.41	104	104	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.40	103	103	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.39	102	102	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.38	101	101	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.37	100	100	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.36	99	99	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.35	98	98	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.34	97	97	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.33	96	96	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.32	95	95	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.31	94	94	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.30	93	93	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.29	92	92	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.28	91	91	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.27	90	90	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.26	89	89	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.25	88	88	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.24	87	87	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.23	86	86	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.22	85	85	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.21	84	84	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.20	83	83	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.19	82	82	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.18	81	81	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.17	80	80	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.16	79	79	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.15	78	78	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.14	77	77	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.13	76	76	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.12	75	75	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.11	74	74	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.10	73	73	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.09	72	72	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.08	71	71	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.07	70	70	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.06	69	69	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.05	68	68	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.04	67	67	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.03	66	66	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.02	65	65	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.01	64	64	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
7.00	63	63	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.99	62	62	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.98	61	61	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.97	60	60	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.96	59	59	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.95	58	58	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.94	57	57	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.93	56	56	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.92	55	55	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.91	54	54	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.90	53	53	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.89	52	52	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.88	51	51	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.87	50	50	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.86	49	49	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.85	48	48	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.84	47	47	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.83	46	46	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.82	45	45	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.81	44	44	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.80	43	43	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.79	42	42	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.78	41	41	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.77	40	40	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.76	39	39	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.75	38	38	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.74	37	37	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.73	36	36	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.72	35	35	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.71	34	34	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.70	33	33	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.69	32	32	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.68	31	31	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.67	30	30	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.66	29	29	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.65	28	28	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.64	27	27	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.63	26	26	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.62	25	25	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.61	24	24	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.60	23	23	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.59	22	22	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.58	21	21	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.57	20	20	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.56	19	19	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.55	18	18	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.54	17	17	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.53	16	16	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.52	15	15	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.51	14	14	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.50	13	13	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.49	12	12	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.48	11	11	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.47	10	10	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.46	9	9	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.45	8	8	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.44	7	7	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.43	6	6	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.42	5	5	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.41	4	4	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.40	3	3	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.39	2	2	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.38	1	1	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.37	0	0	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.36	0	0	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.35	0	0	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.34	0	0	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.33	0	0	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.32	0	0	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.31	0	0	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.30	0	0	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.29	0	0	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.28	0	0	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.27	0	0	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.26	0	0	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.25	0	0	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.24	0	0	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.23	0	0	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.22	0	0	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.21	0	0	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.20	0	0	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66
6.19	0	0	BRI: Int'l. & Gen.	112	2.1	3.80	1.51	5.16	66

FINANCE, LAND—Continued

Hgts Low	Stock	Price	Chg	Div. Mnt	Yld	Div	Yld	Div	Yld	Div	Yld
20	131	Univ. of Va. 100	19	-1	0.3	8.9	2.4	1.8	1.8	1.8	1.8
26	132	Univ. of Va. 50	34	-2	0.6	4.7	1.3	1.2	1.2	1.2	1.2
26	133	Univ. of Va. 25	17	-1	0.3	2.4	0.6	0.6	0.6	0.6	0.6
26	134	Univ. of Va. 12.5	8.5	-1	0.3	1.2	0.3	0.3	0.3	0.3	0.3
26	135	Univ. of Va. 6.25	4.25	-1	0.3	0.6	0.15	0.15	0.15	0.15	0.15
26	136	Univ. of Va. 3.125	2.125	-1	0.3	0.3	0.075	0.075	0.075	0.075	0.075
26	137	Univ. of Va. 1.5625	1.0625	-1	0.3	0.15	0.0375	0.0375	0.0375	0.0375	0.0375
26	138	Univ. of Va. 0.78125	0.53125	-1	0.3	0.075	0.01875	0.01875	0.01875	0.01875	0.01875
26	139	Univ. of Va. 0.390625	0.265625	-1	0.3	0.0375	0.009375	0.009375	0.009375	0.009375	0.009375
26	140	Univ. of Va. 0.1953125	0.1328125	-1	0.3	0.01875	0.0046875	0.0046875	0.0046875	0.0046875	0.0046875
26	141	Univ. of Va. 0.09765625	0.06640625	-1	0.3	0.009375	0.00234375	0.00234375	0.00234375	0.00234375	0.00234375
26	142	Univ. of Va. 0.048828125	0.033203125	-1	0.3	0.0046875	0.001171875	0.001171875	0.001171875	0.001171875	0.001171875
26	143	Univ. of Va. 0.0244140625	0.0166015625	-1	0.3	0.00234375	0.0005859375	0.0005859375	0.0005859375	0.0005859375	0.0005859375
26	144	Univ. of Va. 0.01220703125	0.00830078125	-1	0.3	0.001171875	0.00029296875	0.00029296875	0.00029296875	0.00029296875	0.00029296875
26	145	Univ. of Va. 0.006103515625	0.004150390625	-1	0.3	0.0005859375	0.000146484375	0.000146484375	0.000146484375	0.000146484375	0.000146484375
26	146	Univ. of Va. 0.0030517578125	0.0020751953125	-1	0.3	0.00029296875	0.0000732421875	0.0000732421875	0.0000732421875	0.0000732421875	0.0000732421875
26	147	Univ. of Va. 0.00152587890625	0.00103759765625	-1	0.3	0.000146484375	0.00003662109375	0.00003662109375	0.00003662109375	0.00003662109375	0.00003662109375
26	148	Univ. of Va. 0.000762939453125	0.000518798828125	-1	0.3	0.0000732421875	0.000018310546875	0.000018310546875	0.000018310546875	0.000018310546875	0.000018310546875
26	149	Univ. of Va. 0.0003814697265625	0.0002593994140625	-1	0.3	0.00003662109375	0.0000091552734375	0.0000091552734375	0.0000091552734375	0.0000091552734375	0.0000091552734375
26	150	Univ. of Va. 0.00019073486328125	0.00012969970703125	-1	0.3	0.000018310546875	0.00000457763671875	0.00000457763671875	0.00000457763671875	0.00000457763671875	0.00000457763671875
26	151	Univ. of Va. 0.000095367431640625	0.000064849853515625	-1	0.3	0.0000091552734375	0.000002288818359375	0.000002288818359375	0.000002288818359375	0.000002288818359375	0.000002288818359375
26	152	Univ. of Va. 0.0000476837158203125	0.0000324249267578125	-1	0.3	0.00000457763671875	0.0000011444091796875	0.0000011444091796875	0.0000011444091796875	0.0000011444091796875	0.0000011444091796875
26	153	Univ. of Va. 0.00002384185791015625	0.00001621246337890625	-1	0.3	0.000002288818359375	0.00000057220458984375	0.00000057220458984375	0.00000057220458984375	0.00000057220458984375	0.00000057220458984375

OILS											
Hgts Low	Stock	Price	Chg	Div. Mnt	Yld	Div	Yld	Div	Yld	Div	Yld
225	60	Marathon Energy Ltd.	335	+	4.4	3.0	2.0	4.4	3.0	2.0	4.4
204	104	Arco 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0
170	120	Exxon 200	110	+	3.0	2.0	4.4	3.0	2.0	4.4	3.0

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MAN OF THE WEEK

Still time to regain allegiance

BY JUREK MARTIN

IT IS now easy to see a cure for inflation in the U.S. President Jimmy Carter summons the heads of the major industrial and agricultural corporations, the banks and the trades unions, plus selected oil sheikhs, senators and magistrates and the chairman of the Federal Reserve, locks them up in his Camp David retreat for 34 days, and personally negotiates a solution with them. He is then overwhelmingly re-elected to a second term, with his Republican challenger, Mr. Ronald Reagan, carrying only the state of Massachusetts and Governor Jerry Brown succeeding from the Union and declaring California to be a sovereign inter-planetary state.

Would that it were that simple. The events of the last week have demonstrated with great clarity what Mr. Carter is so very good at—patient, tireless and rational private persuasion in pursuit of a clearly defined goal. In this case a peace between Egypt and Israel. But he has done nothing to suggest that more amorphous but just as intractable problems will bend before the same approach.



President Carter

Has made the making of peace as exciting for Americans as the waging of war

There is no larger problem, and no greater threat to the President's own political security, than the state of the U.S. economy, and no signs yet that Mr. Carter has come up with the right remedy, or more to the point, given the American people the confidence that he can.

This is because Mr. Carter and his administration have been most weak in their just over two years in office not in comprehension or diligence but in the arts of public persuasion and explanation.

Mr. Carter must take much of the blame for this. Intellectually, he is a man who likes uninhibited public debate, an admirable quality, but the rein he has given to his underlings to express different points of view has tended to prompt confusion rather than understanding of issues. His own public speeches, with rare exceptions such as the moving performance in front of the Israeli Parliament last Monday, suffer from indolent delivery, well though they sometimes read. The President's own grasp of problems is not in dispute, but his ability to convey this is.

At the same time, he is operating in a confused, iconoclastic domestic climate, where special interest groups are benefiting hugely from and contributing to the balkanisation of the country, both economically and politically. Just about all Mr. Carter's natural constituents—minorities, women, Catholics, Jews etc.—have at one stage or another felt free to threaten that they will pay him back at the polling booths for not representing their interests properly. He still has time to reclaim their allegiances, but the strained economic circumstances and the requirements of budgetary stringency tie his hands.

Thus the betting is that the glow of last week will be of only temporary political benefit. The U.S. is finding it difficult to adjust to non-imperial, post-Vietnam times, and in Mr. Carter it has a true non-imperial, post-Vietnam president. He still stands as good a chance as anybody of persuading the nation that his approach is the right one and that the simplistic solutions offered by his opponents are illusory. But that will be determined not in the supermarkets and pay packets—and this will require the application of all Mr. Carter's private talents in public.

Ayatollah suspends trials

BY ANTHONY McDERMOTT IN TEHRAN

AYATOLLAH KHOMEINI, Iran's spiritual and political leader, yesterday issued an edict suspending all revolutionary court proceedings and executions until a new Islamic court system has been established.

The first result of this appears to be the suspension of the trial of Mr. Amir Abbas Hoveyda, Prime Minister of Iran for 13 years under the deposed Shah.

The edict was read out over Tehran radio but in the same news bulletin it was reported that another senior police officer had been executed in Qom, the Ayatollah's home town, 90 miles

south of the capital. He was the 64th person known to have been executed since the revolution.

Mr. Hoveyda's trial started early on Thursday before the Islamic revolutionary court in Tehran's Qasr prison, but there was no session yesterday.

He is facing 17 charges including "corruption on earth, war with God," and being a freemason. The prosecution has demanded the death sentence and, going by previous trials of officials, he would almost certainly be executed.

Only on one occasion has the demand for execution by a firing

squad not been met by the revolutionary courts.

Mr. Mehdi Bazargan, the Prime Minister of the provisional Government, is known to have been angry that Mr. Hoveyda was on trial in this way and tried to have it suspended.

In addition, there is growing feeling that the trial of Mr. Hoveyda is second only in importance in modern Iranian history to that of Dr. Mohammed Mossadegh in the early 1950s and that it should be given something more than summary revolutionary judicial treatment.

The Ayatollah's edict said that

provincial tribunals should continue their investigations but should not carry out sentences until confirmed by the new central court system.

It comes against the background of increasing concern at the effect the 60 or so executions have had on the reputation of both Iran's revolution and Islamic justice.

It is an attempt to regularise judicial affairs during the period between the revolution and the referendum at the end of the month on whether Iran is to become an Islamic republic.

UK angry at Davignon's textile industry remarks

BY RHYS DAVID, TEXTILES CORRESPONDENT

BRITAIN has strongly rebuked Viscount Etienne Davignon, European Commissioner for Industry, for remarks seen as casting major doubt on the future existence of the textile industry in the EEC.

Viscount Davignon made the remarks last month to a group of European clothing and textile trade unions at a meeting to discuss the Commission's guidelines for the development of an industrial textiles policy.

The unions interpreted his comment as evidence that the Commission was drawing back from its previous support for the industry, and would like to see a quicker transfer of textiles and clothing to developing countries.

The unions' evident alarm at what is seen as a major, unannounced change in policy was transmitted through the TUC to the Government. It has evidently bolstered UK suspicions about EEC textile policy, engendered by the negotiating stand, considered to be weak, adopted by the Commission in the present

GATT multilateral tariff negotiations with the U.S.

A meeting to discuss the Commission's current offer, which is thought likely, if implemented, to damage seriously a large part of the EEC synthetic fibre industry, and possibly other textile sectors, was held yesterday between the Department of Industry and the trade associations representing UK textile and clothing interests.

The rebuke comes in a letter sent by Mr. Alan Williams, a Minister of State for Industry, which repeats Britain's belief in the importance of a large and efficient textile industry for employment and balance-of-payments reasons.

The letter points out that the industry has made major adjustments to allow cheap imports

much greater access.

The unions were evidently particularly concerned at Viscount Davignon's remarks suggesting that the GATT Multi Fibre Arrangement—the agreement regulating world trade in textiles—would either not be renewed after 1982, or renewed

in such a form as to greatly weaken its ability to restrain imports.

Mr. Williams' letter, in effect, asks Viscount Davignon to confirm or deny a change in Commission thinking. He says that Britain believes that in the present liberal state of world trade, the European industry will need protection against cheap imports for many years.

Britain would now seem to be approaching a confrontation with the Commission and, possibly, with some of its EEC partners over multilateral tariff negotiations at next month's Council of Ministers meeting. Ministers are expressing privately a large measure of agreement with the textile industry's own assessment of the likely effects of the textile deal which the EEC Commission is prepared to accept from the U.S.

The EEC's willingness to offer a major reduction in its tariff on American-made synthetic fabric imports is being described as not just a tactical defeat, but a concession of major strategic importance.

British Steel cuts 3,600 jobs

By Roy Hodson and Christian Tyler

THE British Steel Corporation is to cut 3,600 jobs at its Scunthorpe works. It announced yesterday. At the same time it confirmed the closure of iron and steel making at Bilston, Staffordshire, with the loss of 1,900 jobs.

At Scunthorpe the BSC is to shut its three old blast furnaces and coke ovens and prepare plant over the next year. The jobs cut, it said, will be effected through natural wastage. The annual labour turnover is 3,000 at Scunthorpe, where 18,000 are employed.

The furnaces were built to take local iron ore, but Scunthorpe now uses higher quality imported ores, and iron making has been concentrated in two big blast furnaces, recently given a £15m facelift.

Confirmation of the Bilston closure in a recent time, which is being resisted by many of the 2,300 workers and by their unions, came at a BSC meeting with the TUC steel committee. The committee said it was not prepared to negotiate.

Details

Leaders of the Iron and Steel Trades Confederation held a special executive meeting later at which it heard the views of the Bilston action committee. It decided to postpone any decision to fight the closure until after hearing more details of the men's case.

The ISTC also wants more time to study the report on Bilston by Aston University commissioned by local authorities in the area. The BSC has made a concession at Bilston by retaining the rolling mill. But it told the TUC committee yesterday that it could not accept the Aston report's conclusions because of the overriding need to reach viability as required by the Government White Paper on the Corporation's financial plight.

Weather

UK TODAY

SLEET or snow showers in most areas.
London, S.E., E. Anglia, Cent. S. England, S.W. England
Occasional sleet or snow. Very cold.

Wales, Cent. N. England, N.W. England
Heavy snow showers. Drifting over hills.

Scotland, Ulster, Isle of Man
Isolated wintry showers. Snow in some places. Sunny intervals.
● Outlook: More sleet or snow. Bright intervals. Cold with widespread frost.

WORLDWIDE

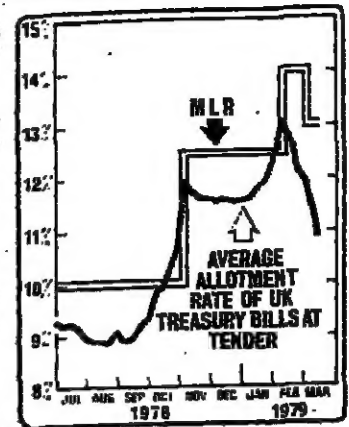
	Y'day midday	Today	Y'day midday	Today	
Algeria	12	54	Lucarno	12	41
Amman	12	59	London	12	34
Amman	12	59	Los Ang.	12	59
Amman	12	59	Luxemb.	12	36
Amman	12	59	Madrid	12	45
Amman	12	57	Manila	12	57
Amman	12	57	Mexico	12	58
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Amman	12	57	Moscow	12	58
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Amman	12	57</			

G-Cloudy, P-Fair, F-Fog, R-Rain, S-Sunny, S-Sleet, SN-Snow.

THE LEX COLUMN

A tender touch from the Bank

Index rose 8.2 to 510.9



At first sight, yesterday's announcement of an issue of a new gilt-edged stock via a tender system appeared to mark a fundamental innovation. But in fact there is not that much new about the stock. Exchange 12½ per cent 1999 at £87.50 is just the sort of top stock the authorities might have brought out under the traditional system. The decision to accept higher bids than the minimum £87.50 simply insures the Bank of England against a possible repetition of the embarrassing sell-out a couple of weeks ago. If the market jumps three points between now and next Thursday, it will be the Bank that gets the cream rather than the speculators.

If, as seems more likely, the market does not move significantly the issue will be under-subscribed at the minimum price—which is dead in the water with the market. And the rest of it will function as a traditional tap stock. As the stock is sold, the Bank is able to make it partly paid without having to worry about punters coming in on the margin. That, in turn, means that it has been able to push Government funding out into May.

It seems a perfectly sensible idea. If the Bank had really been converted to the idea of a tender system, it would have had to change the system very much more radically. To work effectively, a tender system would have to make small but regular calls on the market, as happens with the weekly sale of Treasury bills, rather than dumping jumbos on the market at irregular intervals.

Role of jobbers

But that would mean scrapping a system that the Bank feels has served reasonably well for a long time. It would also be unpopular in some stock exchange circles. Much the most profitable period for gilt-edged jobbers comes when tap stocks are in operation. They would argue that if the juiciest part of their business was taken away, their ability to make markets in less lucrative times would be impaired.

Whether or not the new stock actually does operate as a tap depends very much on whether foreign buyers decide that 12½ per cent is still an attractive yield for 30-year sterling. Foreigners have probably been net sellers of gilt-edged over the last week but yields on sterling securities are

inc. Budget produced a very uncomfortable couple of months.

In its quarterly bulletin this week, the Bank made it perfectly clear that it considers the present high interest rates to be appropriate for the time being. It is now suiting its actions to its words. What would please the authorities most of all would be for the gilt-edged market to potter along around its present level at least until the Budget.

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Ultramar

Ultramar's 1978 after tax profits rose 28 per cent to £16.2m before exchange losses despite the weakness of the U.S. and Canadian dollars, the currencies in which most of its earnings are denominated. For the fourteenth consecutive year there is a scrip issue in lieu of dividend, but the group expects to pay a 10p net cash dividend in respect of the current year.

The company's problem now is to prove the quality of its earnings. Its rather risky reliance on oil trading has been replaced with a stream of profits from its Indonesian natural gas operation, which probably accounted for at least two-thirds of last year's total figure. The hope is that the acquisition of Canadian Fuel Marketers will transform the group's marketing and—by increasing throughput—refining businesses in Canada into a substantially more profitable base.

The planned acquisition of a stake in the Thistle field through Ashland Oil will give Ultramar some cash flow in the UK and should help reduce the losses it has been making on marketizing oil in this country. Elsewhere there are exploration projects in Egypt and Canada and there should be some flow from the Maureen field by 1982.

But gearing has increased substantially and the group has a heavy capital spending programme ahead of it in all its fields of operation. Shareholders' funds will be something over £120m—the profit retention will be partially offset by the devaluation of the North American assets—and long-term debt amounts to £80m. The 1979 dividend will cost over £8m, including ACT.

Institutional shareholders may be drawn to the shares by their new-found yield. But it may not be too long before Ultramar, in order to keep its borrowing ratios in order at a time of rapid expansion, will be issuing shares again—and next time, shareholders will be asked to pay for them.

Chicago bar on wheat trading

By David Lascelles in New York

THE Chicago Board of Trade, the world's largest grain market, had to stop trading in wheat futures until noon yesterday.

It happened after the Commodity Future Trading Commission, the market's watchdog, ordered the suspension of trading in March futures because it was afraid of "a major market disturbance."

It said a few speculators had established and were maintaining a large and potentially dominant long open position in the March contract, due to be closed on March 21.

This combined position—80 per cent of the total—far exceeded the amount of appropriate quality wheat available for delivery. Supplies, the CFTC noted, had been affected by unusual shortages of transport and warehousing.

The Chicago Board of Trade orders traders to liquidate all positions. New positions could open for delivery.

Normal trading should resume on Monday.

Continued from Page 1

Retail price

private sector forecasters believe that the 12-month rate is unlikely to move above, say, 12 per cent by the end of 1979. A moderate acceleration at most is suggested by the underlying trend as measured by the increase in the index for all items except seasonal foods over the last six months, expressed at an annual rate. This stood at 8.9 per cent in mid-February, compared with 8.8 per cent previously.

Mr. Roy Hattersley, the Prices Secretary, said in Manchester yesterday: "It would be rash to say that we will stay in single figures for the rest of the year. If we do break the 10 per cent mark we will not do it by very much."

Ms. Sally Oppenheim, the Opposition prices spokesman, claimed the figures confirmed that "inflation is now firmly established on an upward course."

John Elliott writes: A going rate of about 10 per cent is being established for plant level pay, being according to figures released last night by the Confederation of British Industry's pay data bank.

Of 13m workers covered by plant deals reported to the CBI, 67 per cent have settled for between 5 and 10 per cent. One-third of these people also have productivity deals worth another 5 per cent.

CGE of France takes stake in Goldsmith group

BY DAVID WHITE IN PARIS

FRANCE's CGE electrical group is taking a stake in Sir James Goldsmith's French-based food empire.

Under the surprise agreement sprung on the French financial scene yesterday, CGE, one of France's largest industrial concerns, gains an indirect holding of more than 8 per cent in the Goldsmith master company, Generale Occidentale, at a cost of FF 80m (£8.8m). CGE becomes, in effect, the second shareholder after Sir James.

The move is seen as giving Generale Occidentale, the bulk of whose annual sales of more than £2bn are made in the U.S. and the UK, a firmer "anchorage" in France. That would appear to accord with the French Government's desire for a bigger local say in the country's biggest food concern, but Sir James denied that the authorities had had any role in the deal.

The interest of the electrical group, according to its chairman, M. Ambrose Roux, is primarily financial, the acquisition being made through a portfolio subsidiary, Compagnie Electro-financiere, which is two-thirds controlled by CGE.

There was speculation in Paris about possible future ventures, especially in the newspaper business. Sir James is chairman of the French magazine group, L'Express, in which Generale Occidentale secured a controlling stake a year ago. Apart from his plans to launch a similar publication in the UK, he was also rumoured some time ago to be contemplating publication of a French financial daily.

Reorganisation

Generale Occidentale, which also owns the British Cavenham group, made a consolidated net profit of FF 102m (£11.7m) in its last financial year, which ended on June 30. The group went through a complex reorganisation last year, bringing all its French and its financial interests under the master company, and its U.S. and UK distributing and manufacturing operations under Cavenham of the UK.

The CGE participation is at several stages removed, in the style associated with Goldsmith operations. CGE is taking 60 per cent in a new holding com-

pany, Alphalec, alongside four banking and insurance interests which each have 10 per cent. The partners are Union des Assurances de Paris; Olna, a portfolio offshoot of the state-owned bank Credit Lyonnais, which has in the past worked closely with the Goldsmith group; France-Vie, an insurance arm of the French Lazard banking business; and Banque Rothschild.

New capital

That holding company is putting up FF 100m (£11.4m) of new capital to gain a 40 per cent stake in Trocadero participations, a French-registered operation, which remains under Sir James's control. The capital increase jacks up the Trocadero stake in Generale Occidentale from 17 to just less than 35 per cent.

Trocadero is now on paper the largest shareholder in the food empire. Just less than 31 per cent is held separately by Sir James's family interests, notably through the Hong Kong-based company, General Oriental.

Union des Assurances de Paris already has a small direct shareholding, as do Hambros and other financial interests, as well as the general public, with an estimated 18 or 17 per cent. The deal announced yesterday why CGE should now appear industrial presence into the picture for the first time. CGE, which had a 1978 group turnover of FF 36bn (more than £4bn), brings together a wide range of electrical interests, including the telecommunications concern CIT-Alcatel, which it controls, and the turbine and shipbuilding group, Alsthom-Alantique, in which it has a minority interest. It also has a stake in the French-American computer company, Gii-Honeywell-Bull.

It was not fully clear yesterday why CGE should now appear only be shifting from previous policy and diversifying into something as different as food. Nor was it clear what role Mr. Roux and another CGE director were to have on Generale Occidentale's administrative board. CGE pointed out, however, that its portfolio offshoot, besides holding part of the group's interest in companies like CIT-Alcatel, had already diversified into other unrelated investments.

INCOME + SECURITY

12.7%

Estimated current gross yield

ARBUTHNOT PREFERENCE SHARE FUND

● The current gross yield of 12.7% is one of the highest available today from an authorised unit trust and very competitive with fixed interest investment rates offered elsewhere.

● The aim of the fund is to maintain high stable income. ● The stability of the portfolio is achieved by a wide spread of investments which inherently bear a reduced risk compared to ordinary shares.

● Your starting income of £12.7% should remain stable over the years to come despite fluctuating capital values.

The price of units, and the income from them, may go down as well as up.

Your investment should be regarded as long term.

Applications will be acknowledged, and unit certificates will be issued within 35 days. The offer price includes an initial charge of 5%. The annual net income is 12.7% per annum. A commission of 1.5% will be paid to recognised agents. This offer is not open to residents of the Republic of Ireland. The Royal Bank of Scotland Ltd., Managers Arbuthnot Securities Ltd. (Reg. in Edinburgh 45634), 25 Charlotte Square, Edinburgh. Members of the Unit Trust Association.

Fixed price offer until 5 pm March 23rd 1979 at 28.7p per unit for income units and 43.3p per unit for accumulation units (or the daily prices if lower). The Managers reserve the right to close this offer if unit values rise by more than 2%.

DIVIDENDS NOW PAID QUARTERLY

To: Arbuthnot Securities Ltd., 37 Queen Street, London EC4R 1BY or phone 01-236 5281. We wish to invest the sum of £..... (min. £750) in Arbuthnot Preference Share Fund Income Units and enclose a cheque payable to Arbuthnot Securities Ltd.

Tick this box for Accumulation Units if you wish to reinvest the income [] Share exchange scheme [] Monthly savings scheme (minimum £40 per month). [] We declare that I am/was over 18 and not resident outside the scheduled territories nor am I/we are acquiring the above mentioned securities as the nominee(s) of any person(s) nor am I/we are acquiring the above mentioned securities as a stockbroker, or Solicitor in the United Kingdom.)

Signature(s)..... Address.....

ARBUTHNOT

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